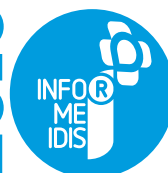


Private Healthcare
Adding Value

ANALYSIS OF THE SITUATION 2016

2016



Private Healthcare, Adding Value

ANALYSIS OF THE SITUATION 2016

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Instituto para el Desarrollo
e Integración de la Sanidad

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PRESENTATION OF THE STUDY

ADDING VALUE TO A HEALTHCARE SYSTEM IN KEEPING WITH THE TIMES

We are now fully immersed in 2016, a year full of hope, but at the same time full of uncertainty, not only in the healthcare sector but in the overall context of our country. We thought that we had left an unprecedented economic crisis behind and yet its consequences continue to affect us, especially if we consider national and international circumstances.

This report contains the reality of the private healthcare sector in a new edition that reconfirms the excellent level of provision and assurance reached by the system, not only for its contribution of wealth in terms of GDP and skilled employment, but also in key aspects such as innovation, continuous training and models of collaboration with public healthcare that contribute to provide solvency and sustainability as both financial pressure and the demand for care and its associated waiting lists significantly decrease.

Throughout this year and in continuing with our strategic approach, here at the IDIS Foundation we are contributing new lines of action. Firstly, promoting quality in all of our health centres in Spain, both public and private, through the IDIS QH (Quality Healthcare) accreditation; empowering patients as the true owners of their clinical data with the interoperability project; and the analysis and enhancement of policies and initiatives developed by the private healthcare sector in the public healthcare sector.

In addition to the studies, reports and conferences developed year after year by the institution, it is the willingness of all Foundation members to work on these key issues that directly impacts the welfare of

the population as well as the involvement of our health professionals who, together with patients and their families, are the real axis and backbone of our system.

Our current situation points towards a future plagued with changes in the social and economic sphere, and in the industrial model that contributes to our country being a competitive leader in the knowledge and information society; a future in which our healthcare system must work in unison to guarantee healthcare with the highest standards of quality, safety and results for the entire population. There is no point in recreating what we are or were if we are not able to work together to ensure a future full of excellence for all citizens.

As reflected in this report, private healthcare, with its idiosyncrasies, its reality and its potential, can not be regarded in any way as part of the problem; but instead as something that, through the reality manifested in the figures and data collected in these pages, makes up a highly important part of the solution. We need to work together in a synergistic and complementary way, adding to and focusing our discourse on all that unites us (which is a lot) and not highlighting differences, in order to provide a response to the needs and challenges facing our society.

The private healthcare sector is a key area in Spain, both in terms of creating welfare and wealth, and contributing to economic and social development by generating jobs and boosting the country's economic attraction. Private healthcare is a strategic ally of the public healthcare system, contributing significantly to the sustainability of the system and to achieving fundamental objectives in healthcare such

as equity, sustainability, accessibility and quality.

Spain is part of a developed geographical context, the European Union, which is a paradigm of democracy, freedom and welfare achieved on the basis of effort and commitment of all members. Moreover, together we are building a more just, equitable, compassionate and open society, an example and a model for the rest of the world.

Within this framework and focusing on the right to healthcare established in the Constitution of all Member States, and, independently of the two existing models, Beveridge and Bismark, with all their nuances and differential aspects, what is clear is that, as in most countries, public exclusivity in healthcare should not be expected. Regarding its funding, resources have to be applied in the most efficient way possible based on quantitative and qualitative criteria of access, results, the fulfilment of objectives and values, and personal and institutional involvement with previously defined universal goals.

The figures and data of this new annual report present an obvious reality, represented by almost ten million private healthcare users, that must be considered. It competes on equal terms as public provision and boasts not only comparative efficiency but also established technological, human and structural capabilities, allowing it to assume higher complexity in processes and pathologies with evident results, as reflected in our annual report on Health Results in Private Healthcare (RESA Study), all with a high degree of satisfaction, and in the Private Healthcare Barometer which we publish periodically.

Lastly, I do not want to leave out the importance that the internationalisation of

our capabilities and results has for Spain. We live in a tremendously competitive, global world where each country must find its "cluster" of differentiation and excellence, one that allows it to establish a social and economic model in line with its strategy and reality. This is where Spain has to learn to assert its strength in the health and healthcare area in order to help our country plant the roots of its future based on its potential for high specialisation and scientific excellence. Only leadership in these key areas can ensure that our country preserves, and even improves upon, its excellence in relation to the achievements of others.

Integrated healthcare, a unique healthcare system must know how to create and foster an environment of high specialisation and quality as it seeks out synergies in order to address a fundamental challenge: to guarantee a leading position in health and healthcare for new generations which are firm depositories of our values and the realities that together we must rebuild.

Adolfo Fernández-Valmayor

President of the Institute for Development and Integration of Healthcare (IDIS)

1

THE CONTRIBUTION OF THE PRIVATE HEALTHCARE SECTOR



The private healthcare sector is a **fundamental agent** in our country in terms of creating welfare and wealth, and contributing to economic and social development. It is also an important **strategic ally** of the public healthcare system, contributing significantly to the sustainability of the system and to achieving

fundamental objectives in healthcare such as equity, sustainability, accessibility and quality.

This report demonstrates the value contributed by the private healthcare sector in terms of three different aspects:

Represents a large portion of the Spanish productive sector

Healthcare spending in Spain stood at **8.8% of the GDP** in 2013, a decrease of 2 tenths compared to the latest figures published by the OECD in 2012 ([Graph 1](#)). This decrease is mainly caused by the strong budgetary constraints that have affected public healthcare spending in recent years.

HEALTHCARE SPENDING REPRESENTED 8.8% OF GDP IN 2013

Healthcare spending in relation to the GDP positions Spain slightly behind the OECD average (8.9%) and some major neighbouring countries such as Germany (11.0%) and France (10.9%), while it is in line with Italy (8.8%) and above the UK (8.5%) ([Graph 2](#)).

PRIVATE HEALTHCARE SPENDING MADE UP 28.5% OF TOTAL HEALTHCARE SPENDING IN 2013

Public funding in 2013 represented 71.5% of total healthcare spending, meaning private healthcare spending was at 28.5%. Compared with our neighbours, Spain is positioned as one of the countries where the weight of private healthcare spending to total healthcare spending is highest, ranking ahead of countries like Germany (23.7%), Italy (22.6%), France (21.3%) and Sweden (15.9%) ([Graph 3](#)).

In terms of trends, **private healthcare spending relative to GDP registered a growing trend in recent years**, going from 2.2% (€20.094 Bill.) in 2005 to 2.6% (€26.944 Bill.) in 2012. In 2013, however, it lost a tenth over the previous year falling to 2.5% of GDP (€26.174 Bill.), which implies a slight decrease in spending of 2.8% ([Graph 4](#)). This reduction is motivated by the difficult economic and social situation experienced in Spain in 2013, one of the years in which the economic crisis hit most intensely. Therefore, this decrease is considered exceptional and is not expected to be a shift in the trend of private healthcare spending, as it is expected to continue on its path of growth in future years.

Public spending continues the downward trend that started at the beginning of the economic crisis, going from 6.8% of GDP in 2009 (€73.036 Bill.) to 6.5% in 2012 (€68.263 Bill.). In 2013 it lost two tenths (6.3%) compared to the previous year (€65.719 Bill.), meaning a decrease of 3.7% in spending, a bit more than €2.5 Bill. ([Graph 5](#)).

Regarding the composition of private healthcare spending, it is important to stress that it is composed mainly of out-of-pocket spending¹, private insurance, and non-profit institution spending. In 2013, these items represented 2.1%, 0.4% and 0.03% of GDP respectively (Graph 6). In the area of private insurance, compared with our neighbours, Spain ranks ahead of countries like the United Kingdom (0.3%) and Italy (0.1%) but behind France (1.5%), Germany (1.0%) and Switzerland (0.8%) (Graph 7).

AGREEMENTS BETWEEN
PUBLIC AND PRIVATE
HEALTHCARE REPRESENT
11.6% OF PUBLIC SPENDING

Furthermore, a percentage of public health spending is allocated to private provision funding through agreements, which stands at 11.6% (Graph 8). In terms of GDP, it is estimated that these agreements make up 0.7%, of which 0.55% corresponds to autonomous regions, 0.15% to civil servant mutual societies and the remaining 0.03% to the Social Security System (Graph 9).

Given the above and adding spending for these agreements and private healthcare spending, we find that the total healthcare spending on private provision, according to estimates, represented **3.2% of GDP** in 2013, meaning approximate spending of **33.797 billion euros** (Graph 10).

THE TOTAL SPENDING IN
PRIVATE PROVISION WAS
ESTIMATED TO REACH 3.2%
OF GDP IN 2013



¹ Out-of-pocket spending is, according to the OECD methodology, spending by Spanish families on the following items: medicines and other pharmaceutical products, therapeutic devices and equipment; outpatient medical and paramedical services such as dentist services, clinical analysis and medical imaging centres; hospital services; social protection services and private healthcare insurance services.

Frees up public health resources

Private insurance

Spain has **7.4 million insured individuals**² which helps to unburden the public system and save it money, as it is a model of double insurance where citizens with private insurance do not consume or only partly consume public health resources.

THE PRIVATE HEALTHCARE SYSTEM HAS 7.4 MILLION INSURED INDIVIDUALS

The savings generated for the National Healthcare System by private healthcare varies depending on use of the public system. In this sense, it is estimated that a patient using only the private system saves a total of approximately **1,091 euros per year** (not including pharmaceutical spending or mutual society spending for civil servants) by not using any public health resources. In the case of a patient using a combination of healthcare, thus using both public and private healthcare, it is estimated that they save public healthcare 566 euros³ per year.

PRIVATE INSURANCE SAVES THE NATIONAL HEALTHCARE SYSTEM UP TO €1,091 PER PERSON/YEAR

Given the number of insured individuals in Spain (7.4 million), the total savings generated the National Healthcare System is estimated to be in a range between 4.204 and 8.103 billion euros, depending on their use of public healthcare ([Illustration 1](#)).

At present, the insurance sector remains crucial to ensuring the proper functioning of the healthcare system. On the one hand, the private system plays a complementary role, providing healthcare in those geographical areas where public healthcare does not have sufficient infrastructure. On the other hand, it plays a supplementary role in areas with all public healthcare resources as it provides the same health coverage, allowing the user to choose one or the other.

Regarding spending, it is estimated that total spending nationwide is €1,790 , in which public spending per capita amounts to 1,260 euros, compared to the 530 euros representing private healthcare spending per capita, which comprises out-of-pocket expenses (408 euros) and insurance expenses (122 euros) ([Graph 11](#)).

THERE ARE SIGNIFICANT DIFFERENCES AMONG THE AUTONOMOUS REGIONS IN HEALTHCARE SPENDING PER CAPITA

Geographically, the Basque Country, Navarre and Asturias are the autonomous regions with the highest healthcare spending per capita with 2,284 euros, 2,089 euros and 2,060 euros respectively. Andalusia and Murcia, on the other hand, have the lowest spending on healthcare with 1,531 euros and 1,610 euros respectively ([Graph 12](#)).

²This includes health care (without administrative mutualism) and reimbursement of expenses. Source: ICEA.

³Volume of paid services and the number of insured parties.

In relation to private healthcare spending per capita, Madrid, Catalonia and the Basque Country are the regions with the highest figures, with 693 euros, 654 euros and 584 euros respectively. At the other end of the scale, Extremadura, Murcia and the Canary Islands have the lowest private healthcare spending per capita, with 400 euros, 405 euros and 406 euros respectively ([Graph 13](#)).

As for public health spending, and in keeping with previous years, all regions recorded **deviations of an excess of public health spending** in relation to budgeted spending except the Basque Country (-3%) and the Canary Islands (-1%). The largest deviations occur in Murcia (25%), La Rioja (16%), Extremadura (15%), Valencia (12%) and Catalonia (11%). In this respect, Catalonia, with a difference of 973 million euros, the Region of Valencia, with 707 million, and Murcia, with 519 million, account for 61% of the deviation of the entire national territory ([Table 1](#)).

On the other hand and despite the economic crisis, the insurance sector has managed to maintain positive growth rates in recent years. Therefore, in the period 2011-2014, the volume of premiums increased by 3.1% per year to reach 6.893 billion euros. Estimates for 2015 predict a growth in the volume of premiums of 3.5% compared to 2014, which means a **volume of premiums of 7.132 billion euros** ([Graph 14](#)).

THE INSURANCE SECTOR MAINTAINS AN ANNUAL GROWTH RATE ABOVE 3% IN TERMS OF VOLUME OF PREMIUMS

In 2015, **9.3 million insured parties was reached**, of which 72% correspond to healthcare (without administrative mutualism), 21% to administrative mutualism and the remaining 7% to reimbursement of expenses ([Graph 15](#)).

Regarding the penetration of private insurance, despite the absence of a statistical correlation between it and the public healthcare budget per capita, it can be observed, as in previous years, that certain autonomous regions with greater private insurance penetration, such as Madrid, Catalonia and the Balearic Islands, have a lower public healthcare budget per capita than most regions of the country ([Illustration 2](#)).

THE TOP 5 INSURANCE COMPANIES IN VOLUME OF PREMIUMS ACCOUNTED FOR 71% OF THE HEALTH INSURANCE MARKET

At market level, the health insurance sector continues to show a **high degree of concentration**, with the top 5 companies representing a **71% market share** in volume of premiums, which increases to 82% if we look at the top 10 insurance companies ([Graph 16](#)).



Private sector activity

The activity undertaken by private healthcare contributes to and helps **achieve compliance with the healthcare objectives** of the public system, such as reducing waiting lists, while helping complete the expectations of professionals and being loyal to its contribution to the healthcare system, creating jobs and economic attraction in the country.

IN 2013 PRIVATE HEALTHCARE CARRIED OUT 29% OF SURGICAL PROCEDURES, COVERED 23% OF DISCHARGES AND ATTENDED TO 22% OF EMERGENCIES

The activity carried out by private healthcare in relation to national healthcare activity is very relevant. Specifically, in 2013 private hospitals⁴ carried out **29% of surgical procedures** (1.4. million), covered **23% of discharges** (1.2 million) and attended to **22% of emergencies** (5.8 million) throughout the country (**Illustration 3**). Activity data in the private sector remain generally stable over the previous year, although the increase recorded in the volume of consultations and emergencies is noteworthy (**Table 2**).

The **average stay** in private hospitals reached 6.25 days⁵ in 2013, while the average stay recorded in public hospitals was 7.95 days. Taking into account the "Study on Health Outcome Indicators in Private Healthcare: RESA 2015", published by the IDIS Foundation, the EMAC (average stay adjusted by casuistry) of the private hospitals analysed was 3.3 days, a figure significantly lower than the 6.25 days since it is an EMAC and it mainly corresponds to acute care hospitals.

By care area, those which recorded the highest number of stays in the private sector are: Medicine and Medical Specialisations (2 million), Psychiatry (1.4 million), Extended Stay (1.2 million) and Surgery and Surgical Specialisations (900,000) (**Table 3**).

In relation to the volume of discharges, the most represented care areas in the private sector are: Orthopaedic surgery and Traumatology (33.4%), Surgery and Surgical Specialisations (27.8%) and Obstetrics and Gynaecology (24.3%)(**Table 4**).

In terms of surgical procedures, private healthcare carried out 32% of procedures with hospitalisation and 26% of major outpatient surgery procedures recorded in 2013 (**Table 5**).

By specialisation, private hospitals performed 34% of Orthopaedic Surgery and Traumatology procedures, 33% of Neurosurgery procedures, 32% of Gynaecology and Obstetrics, 31% Angiology and Vascular Surgery procedures, and 30% of General and Digestive Surgery (**Table 6**).

⁴This does not include private hospitals that have a substitute agreement or integrate a public network.

⁵Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

Improves the public's accessibility to healthcare

The private healthcare sector offers a large number of centres that contribute to **improving the public's accessibility** to healthcare and cover the **demands of patients** in terms of the professionalism of its employees, advanced technology and agility in responsiveness to their needs.

In recent years, the private healthcare sector has experienced significant growth in number of centres, improving the accessibility of patients as understood from the perspective of centre location and the after-hour care provided.

The ample care network available to the private healthcare sector provides a wide range of services and activities, highlighting, among others, hospitals, medical centres (healthcare establishments dedicated to the provision of health services that do not require hospitalisation), diagnostic imaging centres, clinical laboratories, assisted reproduction centres, home hospitalisation equipment and private consultations.

Accessibility of care provided by private healthcare is clearly seen in the results obtained in the last Healthcare Results Study (RESA) ([Table 7](#)). In this sense, private hospitals have a high degree of agility in responding to the needs of the public, as evidenced by the following data:

- Delays in appointments for additional tests are less than 12 days on average.
- Delivery times of reports is under 4 days.
- Waiting times for consultation appointments for the busiest specialisations are between 10 and 14 days.
- The average times for medical attention in emergency care are less than 24 minutes, including triage which is around 7 minutes.
- Waiting times for surgical procedures are less than 44 days.
- The time between diagnosis and treatment in oncological procedures is around 16 days in the case of breast cancer, 14 days in the case of colon cancer and 10 days in the case of lung cancer.

Resources in the private hospital sector

Currently the private hospital sector provides the public with healthcare in a total of **450 hospitals**, which account for 57% of all hospitals in our country⁶, with **51,967 beds**, which account for 33% of all existing beds in Spain (**Graph 17** and **Graph 18**).

THE PRIVATE HOSPITAL SECTOR HAS 57% OF THE HOSPITALS AND 33% OF THE BEDS IN OUR COUNTRY

Spain is at an intermediate level compared to the other European countries analysed, both in the percentage of private hospitals among the total number of hospitals, and the percentage of the number of private beds among the total number of beds. Our country is in line with Italy, France and Greece, but below other countries such as Germany (**Graph 19** and **Graph 20**).

For healthcare purposes, 64% of private hospitals (286) are general, medical-surgical and maternity-children's, while 36% (164) are extended-stay, psychiatric, geriatric and specialised hospitals (**Graph 21**).

If the healthcare purpose of public and private hospitals is analysed using the differentiation discussed above, it can be observed that the percentage of general, surgical-medical and maternity-children's private hospitals, among the total number of hospitals of this type stands at 52% while the percentage of number of beds is 25% (**Graph 22**).

Geographically, Catalonia, Madrid and Andalusia are the regions that have the greatest number of private hospitals and beds, as in previous years. Catalonia is the only autonomous region that has more private than public beds (22%); it should be noted that private hospitals in Catalonia include those that are integrated into the Hospital Network for Public Use (XHUP) (**Table 8**).

The geographical distribution of private hospitals by autonomous region in percentage indicates that Catalonia has the greatest number of private hospitals, with 32% of the hospitals (146) and 37% of private beds in our country (19,375). Behind Catalonia at a marked distance is Madrid with 10% of private hospitals and 14% of private beds, and Andalusia, with 13% of private hospitals and 11% of the private beds (**Illustration 4**).

Analysing the proportion of private hospitals and beds over the total number of hospitals and beds shows significant differences between regions. In this sense, Catalonia, Navarre and Galicia have the highest percentage of private hospitals over total hospitals with 69%, 64% and 63% respectively (**Graph 23**), while in terms of beds, we find that Catalonia, Navarre and the Canary Islands have the highest percentage of private beds, totalling 56%, 38% and 35% respectively (**Graph 24**).

THE PRIVATE HOSPITAL SECTOR REACHED 10.3 BILLION EUROS IN 2014

The private hospital market increased to **10.3 billion euros in 2014**, of which **6.45 billion euros** corresponded to the non-charitable private hospital market and 3.85 billion euros⁷ to the charitable private hospital market. The growth of the non-charitable private hospital market was 4.3% in 2014 compared to the previous year, an increase that stands at 2% per year if the period 2010-2014 is analysed (**Graph 25** and **Graph 26**).

⁶ Hospital complexes are counted as a single hospital.

⁷ Estimated data, DBK Public and charitable hospitals 2014.

Composition of the private hospital sector

The private hospital sector is characterised by the presence of a number of operators that can be classified into three groups: hospital groups, hospitals pertaining to health insurance companies and independent hospitals and clinics.

The distribution of hospitals and beds among the main operators in the sector indicates that hospital groups have 38% of the hospitals and 51% of the private beds in our country. Meanwhile, insurance companies have 5% of private hospitals and beds, while independent hospitals and clinics represent 57% of hospitals and 44% of private beds ([Graph 27](#)).

51% OF PRIVATE BEDS CORRESPOND TO HOSPITAL GROUPS, 44% TO INDEPENDENT HOSPITALS AND 5% TO HOSPITALS PERTAINING TO INSURANCE COMPANIES

If the market share of the main operators in the private hospital sector is analysed in number of hospitals and beds, **Quirónsalud** and **La Orden de San Juan de Dios** are the private hospital groups with the highest number of hospitals and beds. Specifically, Quirónsalud represents approximately 8% of private hospitals and 10% of beds, while La Orden de San Juan de Dios has 7% of hospitals and 12% of beds ([Graph 28](#)).

Regarding geographical distribution, most of the major operators in the sector are located in different autonomous regions, with Madrid, Andalusia, Catalonia and the Basque Country having the greatest presence of hospital groups ([Illustration 5](#)).

In terms of turnover, the nine major operators in the sector reached a turnover of 3.184 billion euros in 2014, representing 49% of the non-charitable private hospital market ([Graph 29](#)).

Until relatively recently, the private hospital sector was highly fragmented and atomised. However, in recent years a number of major operations have occurred in our country that show the trend of the private hospital sector **to merge into large groups**. This process of concentration is expected to continue in the coming years, paving the way for a **more concentrated sector with fewer operators**.

The most significant operations in recent years include the following:



In recent years, HM Hospitales has carried out an expansion process that has included the acquisition of centres like the Clínica Maternidad Nuestra Señora de Belén (Madrid) in 2011, the Grupo Hospitalario Modelo (A Coruña) and the Toledo polyclinic Instituto Médico Integral (IMI) in 2014, as well as opening the Hospital Universitario Puerta del Sur (Móstoles) in that same year. Continuing in its expansion, HM Hospitales acquired Vallés Salud (Madrid) in 2015 and, more recently (January 2016), it reached an agreement with Unilabs to acquire 100% of Gabinete Médico Velázquez (GMV), a gynaecological centre in Madrid.



Company resulting from the merger in 2014 between IDC Salud and Grupo Hospitalario Quirón. Prior to the merger, both companies had been involved in various major mergers and acquisitions. In 2012, Grupo Hospitalario Quirón was part of the merger between USP Hospitales and Grupo Hospitalario Quirón and in 2013 the resulting group acquired Centro Médico Teknon (Barcelona). In 2013, IDC Salud acquired Clínica La Luz (Madrid) and Clínica del Pilar (Barcelona), and in 2014 Grupo Ruber (Madrid).

In 2015, now as Quirónsalud, the group acquired Grupo Hospital Miguel Domínguez (Pontevedra), made up of 2 hospitals and 192 beds, and reached an integration and investment agreement with Clínica Rotger (Majorca), resulting in the group known as Quirónsalud Balears which would manage the group's 4 centres in the Balearic Islands.



In the last two years Vithas has carried out three significant operations. In 2014 it acquired 70% of Hospital Internacional Medimar (Alicante) and the Malaga-based group Xanit, and in 2015 it became a shareholder in the Red Asistencial Juaneda (Balearic Islands). The Company is also undertaking the construction of the new Hospital Vithas Nuestra Señora de la Salud in Granada, whose opening is scheduled for 2016.



In the hospital market, Sanitas has carried out several operations, including the purchase of the Centro Internacional de Medicina Avanzada (Barcelona) in 2011, and the acquisition of the Clínica Londres in 2013 and the Hospital Virgen del Mar (Madrid) in 2014.



Although not involved in any acquisition operations, it is appropriate to note that Asisa has grouped all its hospitals into a new hospital group called **Grupo Hospitalario HLA**. The new group has more than 1,250 rooms, 105 operating theatres, 250 high-tech imaging equipment units and 77 intensive care boxes.

Apart from hospitals, other facilities that contribute significantly to improving the public's accessibility to healthcare are **medical centres**, understood as health establishments engaged in providing services that do not require hospitalisation.

There are about **3,000 medical centres in our country**. The presence of such centres throughout the country guarantees the public's accessibility to healthcare, thereby improving patient care and satisfaction.

Regarding their characterisation, it is estimated that 63% of the centres are outpatient medical centres, 17% are cosmetic clinics, 8% are eye clinics, another 8% are imaging centres and the remaining 5% are assisted reproduction centres **(Graph 30)**.

Another operator playing an important role in the private healthcare sector are clinical laboratories. In this sense, private laboratories reached a turnover of **965 million euros⁸** in 2014, an increase of 6% compared to 2013 and representing a market share of 37% of the Spanish market.

Although the field of private clinical laboratories tends to display concentration, it is still a market that has **a high degree of atomisation**, with the top five groups representing ~ 30% of the market.

⁸ DBK, Clinical analysis 2015.

Collaborates with the public system

The private healthcare sector is still an important **strategic ally of the public healthcare system**; the collaboration between the two sectors is essential to ensure sustainability and accessibility to the Spanish healthcare system.

The collaboration between the public sector and the private sector is the ideal formula for achieving a sustainable and efficient healthcare system which avoids redundancies and duplications, and establishes synergies while providing the necessary financial strength in the present, and allowing it to secure guarantees for the future.

The utilisation of all healthcare resources, regardless of ownership, allows for optimum levels of proper care for the population, which must be the ultimate and primary objective for both the public and private sectors.

In this sense, our country has a long tradition of using some of public-private partnership formulas, such as the agreements in place between regional healthcare services and private centres, administrative mutualism and administrative concessions that include the management of healthcare services (**Illustration 6**).

Agreements

Agreements with private centres in different areas of activity (hospitals, medical centres, diagnostic imaging, haemodialysis, etc.) contribute significantly to achieving the fundamental values of the public system, such as equity, accessibility, reducing waiting lists and helping to comply with the maximum response times.

Eliminating agreements with the private healthcare sector can be a handicap for the proper care of patients within a reasonable time period, mainly due to increased periods of waiting lists and the burden for care in public health centres.

As previously noted in the report, a significant percentage of public healthcare spending (11.6%) is allocated to the budget item of agreements, reflecting the importance and impact of this item.

CATALONIA IS THE AUTONOMOUS REGION WITH THE MOST RESOURCES ALLOCATED TO THE ITEM OF AGREEMENTS



At regional level, Catalonia is the autonomous region that has allocated the most money to agreements, with close to 2.4 billion euros, representing approximately 25.6% of its healthcare spending. Catalonia is followed by Madrid, Andalusia and the Region of Valencia with 788, 385 and 349 million euros respectively. However, if we only take into account the percentage of the budget allocated to agreements, Catalonia is followed by Madrid (10.6%), the Canary Islands (10.5%) and the Balearic Islands (9.6%).

The trend of establishing agreements over the past year varies depending on the autonomous region. Thus, the greatest reductions were seen in Aragón (35%), Asturias (20%), Castilla-La Mancha (20%) and Andalusia (16%), while the largest increases have occurred in La Rioja (8%), the Canary Islands (7%) and the Balearic Islands (6%) (Table 9).

42% OF PRIVATE HOSPITALS HAVE SOME TYPE OF AGREEMENT IN PLACE WITH THE PUBLIC ADMINISTRATION.

As for centres, approximately 42% of private hospitals (187) in Spain have some type of agreement in place with the Public Administration. In addition, 7% of private hospitals (32) are integrated into the Network of Public Hospitals in Catalonia (Graph 31).

The private hospitals with the greatest number of agreements are general hospitals, as they have a total of 119 centres with some kind of agreement, followed by geriatric and/or extended stay hospitals with 18, and psychiatric hospitals with 17 (Graph 32).

Given the percentage of hospitals with some kind of agreement over the total number of private hospitals, medical-surgical and general have the greatest weight, representing respectively 57% and 50% (Graph 33).

In market terms, non-charitable hospitals had a turnover of **1.480 billion euros** under the heading of **agreements** in 2014, representing 23% of their turnover. This item recorded a **slight increase** compared to 2013 of 50 million euros (Graph 34), which represents a change in trend regarding the previous two years (2012 and 2013), where the item of private hospital agreements decreased to its lowest level in 2013 with 1.43 billion euros.

Lastly, within the item of agreements, there is another significant typology: **the single agreement**. These are agreements linking the public healthcare system to private hospitals, integrating its activities and objectives in the overall planning of the National Healthcare System. The singularity of these agreements is established in relation to assigning a population to care for, establishing care objectives and developing care programmes. This type of agreement has a degree of permanence in time, allowing for management that is agile, flexible and adaptable to change.

Examples of single agreements are the Fundación Jiménez Díaz in Madrid, Povisa in Vigo, Fundación Hospital de Jové in Asturias, La Orden de San Juan de Dios in different autonomous regions, José Manuel Pascual Pascual in Andalusia and some private hospitals in Catalonia that are integrated into the Hospital Network for Public Use (Illustration 7).

Administrative mutualism

Administrative mutualism is a model that favours the balance between the public and private healthcare system, providing efficiency in the provision of public services, guaranteeing the service portfolio of the National Healthcare System and reducing the pressure of patient demand in the public system.

Under this model, the State maintains the functions of regulator, guarantor and subsidiser of healthcare provisions, transferring implementation to the National Healthcare System or free insurance entities. This is when citizens can decide annually, freely and voluntarily if they want to be cared for by the National Healthcare Service or by an insurance company with the same level of provision. This last option is selected by **~85% of mutual society members⁹**, data that shows the degree of user satisfaction with the model, making it a model of high added value for beneficiaries.

2 MILLION PEOPLE ARE COVERED BY THE ADMINISTRATIVE MUTUALISM SCHEME

In 2015, the population covered by the system of administrative mutualism amounted to **1.9 million individuals**, with Muface being the mutual society with the largest number of beneficiaries at 65% (1.3 million) of members (**Graph 35**).

In terms of **volume of premiums**, it is estimated that administrative mutualism reached **1.517 billion euros** in 2015, a slight increase of 0.9% over 2014. Muface, just like in number of members, registers the highest volume of premiums (66% of the total) (**Graph 36**).

IN 2015, 7 INSURANCE COMPANIES SIGNED HEALTHCARE AGREEMENTS WITH MUTUAL SOCIETIES

In 2015, mutual societies signed healthcare agreements with a total of 7 insurers; SegurCaixa Adeslas and Asisa are the companies that provide healthcare to the members of the three existing mutual societies in our country (**Table 10**).

In economic terms, administrative mutualism is a model that **provides efficiency** in the provision of a public service, since the per capita spending of the covered population is substantially lower than public healthcare spending per capita. In this regard, the average Muface premium stood at 801 euros per year and insured party in 2015, while public healthcare spending per capita that year was 1,091 euros (excluding pharmaceutical spending and spending for mutual societies), representing a saving of 290 euros for the Administration (**Graph 37**).

THE ACCIDENT RATE FOR ADMINISTRATIVE MUTUALISM WAS 96.8% IN THE PERIOD JANUARY-SEPTEMBER 2015

In relation to accidents, administrative mutualism registered¹⁰ an accident rate of 96.8% in 2015, significantly higher than the insurance sector average¹¹ whose accident rate was 74.2% during the same period (**Graph 38**).

Administrative mutualism accident rate trends in recent years (2011-2015) have remained at levels ranging between 96.8% and 99.3%. If the mutuality accident rate is compared to the average for the insurance sector over the same period, there is a difference ranging from 20.8% in 2011 to 34.7% in 2014, and decreasing again to 30.5% in 2015 (**Graph 39**).

⁹ Percentage calculated based on data from the 2014 reports of Muface, Isfas and Mugeju.

¹⁰ Period January-September 2015.

¹¹ Corresponds to the accident rate for healthcare without mutualism in the period January-September 2015

Administrative concessions including the management of healthcare services

The administrative concession model including the management of healthcare services allows for a response to the financial failure of the Public Administration, from the perspective that it can take on long-term spending which would involve deploying healthcare infrastructure without seeing, therefore, an increase in public financial debt. This remuneration model not only allows for sharing the financial effort over time, but also increases the predictability of future public spending and favours greater spending control.

This model transfers construction risk and the commissioning of infrastructure to the private manager, while ensuring the maintenance of service quality, since the amount of turnover of these services is linked to the quality and degree of compliance of the standards established in the corresponding administrative clause documents.

Our country currently has 9 hospitals operating under this concession model. Geographically, administrative concessions including the management of healthcare services are mainly located in the regions of Valencia and Madrid ([Illustration 8](#)).

Moreover, and although technology has traditionally been excluded from the operations of public-private collaboration, it is thought that it will be a central element in the new generation of these collaboration formulas.

Murcia, the Balearic Islands, Catalonia and Galicia are examples of autonomous regions where contracts have been signed between public hospitals and health technology companies for the provision, renovation and maintenance of clinical equipment and/or consulting in the competitive dialogue for the acquisition of technological equipment.

Through new formulas, manufacturers become "technology partners" involved in a collaboration based on shared risk. These new strategies for equipping hospitals allow them to, among other things:

- Update existing equipment.
- Efficiently supply new centres when necessary and in a progressive time frame.
- Introduce elements of "availability" according to the needs of each device (incident response time, available technical service, replacement equipment, etc.).
- Devise specific solutions to specific problems, through the process of dialogue with suppliers.
- Sometimes train professionals or incorporate personnel to cover the service.

Carries out highly complex activity using the most recent technological advances

The private healthcare sector is an important **dynamic agent and diffuser of innovation** in the realm of technology, it has advanced medical equipment and highly complex technology that allows it to act with medical excellence.

The use of technology in healthcare offers a range of benefits to the patient, the professional and the healthcare system in general, which include:

- Contributes to the prevention of diseases, reducing the need for future healthcare and, consequently, healthcare costs.
- Improves diagnosis and helps in the early detection of diseases, allowing for more effective therapy.
- Improves therapy in terms of speed, efficiency and effectiveness.
- Supports patient monitoring.
- Allows for better management of clinical data.
- Favours new ways of working that are more efficient, connected and global.

Acquiring **state-of-the-art equipment and the latest technology** is a key aspect of the private healthcare sector. The progress made in recent years allows us to diagnose more patients, treat them better and in less time, resulting in both better clinical results and lower costs per treatment.

THE PRIVATE SECTOR POSSESSES 56% OF MRI, 47% OF PET AND 36% OF CAT EQUIPMENT

The private hospital sector is clearly committed to investing in high-tech equipment, as evidenced by the fact that it possesses 56% of MRI, 47% of PET and 36% of CAT equipment (**Graph 40**).

Analysing the high-tech equipment of public and private healthcare from different regions shows that Madrid, Andalusia, Region of Valencia and Catalonia have the greatest amount of high-tech equipment. Among the regions with the highest percentage of equipment in private centres, Catalonia (46%) and the Balearic Islands (37%) are found at the top. Regarding the number of equipment units in private healthcare, the main autonomous regions are Catalonia (448) and Madrid (370) (**Graph 41**).

Private hospitals perform increasingly complex activity, developing new and pioneering techniques and procedures.

In terms of **diagnostics**, in 2013 the private sector conducted a significant percentage of the tests carried out throughout the national healthcare system, with 994,257 MRIs (39%), 695,224 CAT scans (16%), 26,601 PET and PET-CT (27%), and 15,453 SPECT (12%). (**Illustration 9**).

Regarding **surgical activity**, in 2013 the private sector carried out a significant volume of complex care activity, with 295,668 Orthopaedic Surgery and Traumatology procedures (34%), 291,371 General and Digestive Surgery procedures (30%), 141,310 Gynaecology and Obstetrics procedures (32%), 34,449 Angiology and Vascular Surgery procedures (31%), 22,608 Neurosurgery (33%) procedures and 8,680 Heart Surgery procedures (20%). (**Illustration 10**).

Seeks to continuously improve quality healthcare

The implementation of quality assurance policies in healthcare centres is one of the most significant trends from the last two decades. Studies carried out in Spain show that the private healthcare sector invests in the quality of healthcare provision. In this regard, the **RESA Report 2015** clearly highlights the **positive developments in quality indicators** of the private healthcare sector ([Table 11](#)).

In order to improve and demonstrate the quality of its centres, the private healthcare sector has different certifications accrediting their quality. These include:

- **ISO Certification** (International Organization for Standardization): one of the most widespread models used by private healthcare centres to accredit quality service to patients is the ISO 9001 certification.
- **EFQM** (European Foundation for Quality Management): this model is based on continuous improvement through assessment. The systematic and regular use of this model allows for the establishment of improvement plans based on objective facts and the achievement of a common vision of the goals to be reached and the tools to use.
- **Joint Commission Accreditation**: the benefits of this accreditation include improving the public's trust regarding the organisation's concern for patient safety and the quality of care at all levels.
- **OHSAS 18001 Certification**: this is the internationally recognised assessment specification for health and occupational safety management systems. A large number of organisations have already implemented these systems as part of their risk management strategy.
- **Quality certifications or seals** from autonomous regions: granted by the autonomous regions themselves, these guarantee the quality of the institutions that have such certifications or seals. These include the Madrid Excelente seal and the ACSA Certification (Andalusian Agency for Healthcare Quality).

The IDIS Foundation, as an organisation with a clear commitment to quality, has developed the **QH Accreditation**, conceived as a **pioneering, innovative recognition system with no cost** which recognises Excellence in the Care Quality of healthcare organisations.

Until now there has not been any universal and unanimously accepted model for recognising quality, considering each of the existing ones draw on different dimensions of analysis and quantification.

The QH Accreditation is a Synthetic Quality Indicator grouping the different attributes of existing quality systems to recognise **excellence and a sustained effort for improvement**, establishing identification through a **progressive system from the system's access level (QH)** to the maximum accredited quality level (QH + 3 stars). Therefore, the QH Accreditation:

- **Recognises institutions that make an effort** to implement a progressive and continuous quality system over time.
- Provides a **unifying element** for existing quality systems; its purpose is not to replace them.
- Offers a **voluntary assessment tool** aimed at healthcare organisations, irrespective of ownership, which are concerned about quality and continuous improvement.
- Is a **dynamic model** which will be updated as quality systems are incorporated.
- **Offers visibility** to healthcare organisations based on their results in terms of quality, assigning them a result within a range.

Currently, **59 organisations** hold the QH Accreditation, of which 31 hold the QH level, 15 the QH 1 star level, 10 the QH 2 stars level and 3 the QH 3 stars level (www.qhaccreditation.com).



Generates employment and helps train healthcare professionals

The private healthcare sector is an **employment generator** in our country, employing **244,335 professionals** in all sector activities, year after year offering new highly qualified jobs ([Illustration 11](#)).

THE PRIVATE HEALTHCARE SECTOR EMPLOYS OVER 244,000 PROFESSIONALS

Of the 244,335 professionals who are part of the private healthcare sector, it is estimated that 65% (158,931) work outside of hospitals and the remaining 35% (85,404) work within the hospital setting.

By professional category, it is estimated that 22% of private healthcare sector professionals are doctors and 25% nurses, while the remaining 53% are other healthcare and non-healthcare professionals.

54% of healthcare professionals in our country are located in the regions of Madrid, Catalonia and Andalusia ([Table 12](#)).

The private healthcare sector therefore **balances out the public system**, thanks to the complementary activity that it offers doctors, who find here a complementary or substituting alternative to public healthcare from a professional and economic standpoint.

In terms of **training**, the private healthcare sector is committed to training health professionals working within the sector in order to ensure excellence-oriented healthcare.

To support undergraduate training, the private healthcare sector has a total of 22 university hospitals in the autonomous regions of Madrid, Catalonia, Valencia, Andalusia and Navarre ([Illustration 12](#)). Of the 22 university hospitals, 6 are hospitals using the administrative concession model for healthcare service management. As for operators, Quirónsalud and HM Hospitales are the greatest exponents in this type of training with 7 and 6 hospitals respectively.

THE PRIVATE HEALTHCARE SECTOR OFFERS 166 PLACES FOR SPECIALISED HEALTHCARE TRAINING

Regarding specialised healthcare training, in 2016 the Ministry of Health, Social Services and Equality has called for a total of **166 places for the residency system** in private healthcare facilities (including the places at privately managed public hospitals) ([Graph 42](#)).

Private centres and public centres with private management that have specialised healthcare training places through the residency system are located in 6 regions; Madrid, Navarre and Valencia have the greatest number places ([Illustration 13](#)). As for centres, the Fundación Jiménez Díaz and the Clínica Universidad de Navarra have the greatest number of places, with 53 and 45 respectively.

The specialisations with the greatest number of training places are Orthopaedic Surgery and Traumatology with 16 places, Internal Medicine with 13 places and Anaesthesiology and Ophthalmology, with 11 places each ([Table 13](#)).

2 QUANTITATIVE DATA

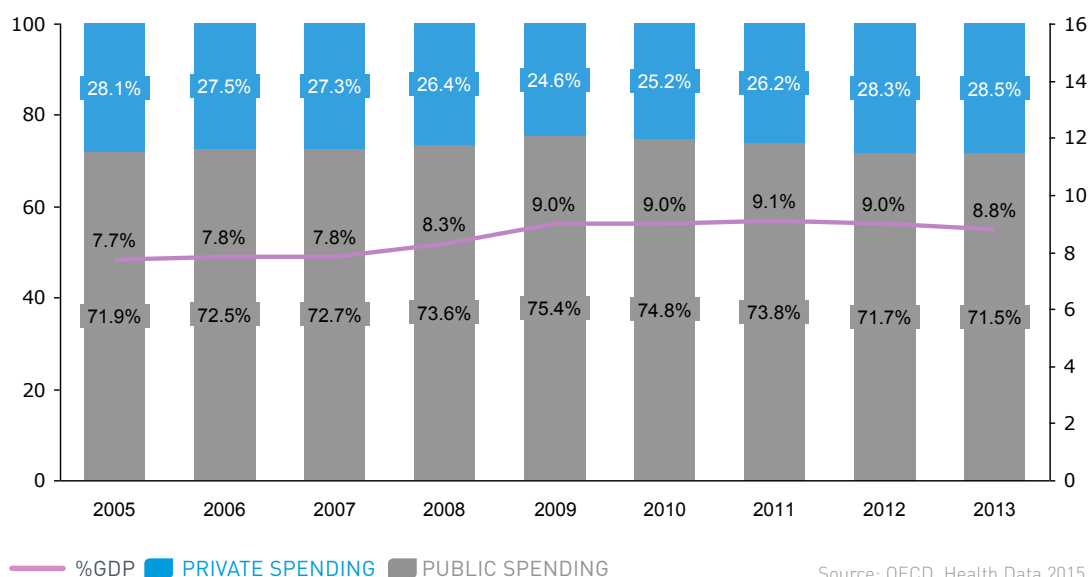


2.1 Represents a large portion of the Spanish productive sector

GRAPH 1

EVOLUTION OF TOTAL HEALTHCARE SPENDING IN SPAIN IN RELATION TO GDP, 2005-2013

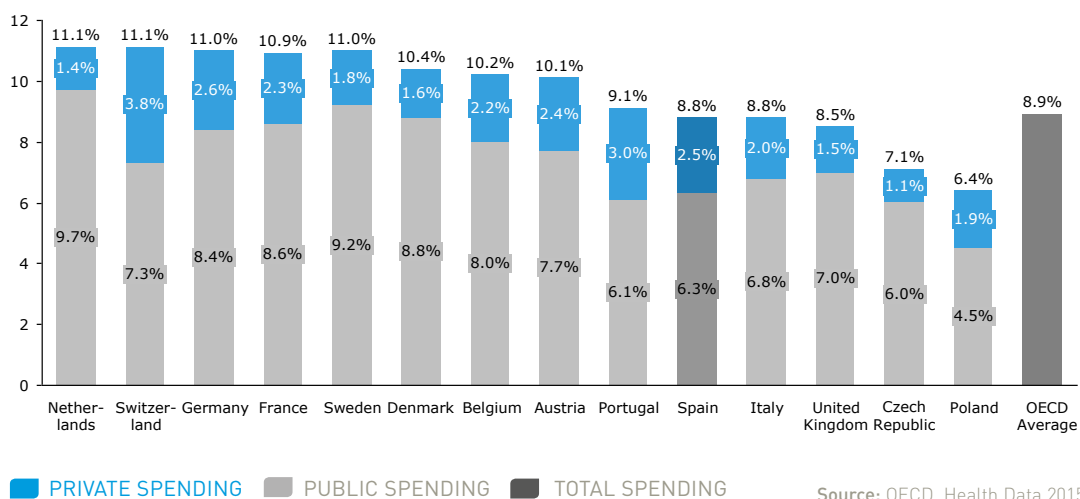
Healthcare spending represented 8.8% of GDP



GRAPH 2

TOTAL HEALTHCARE SPENDING IN RELATION TO GDP IN SELECTED OECD COUNTRIES, 2013

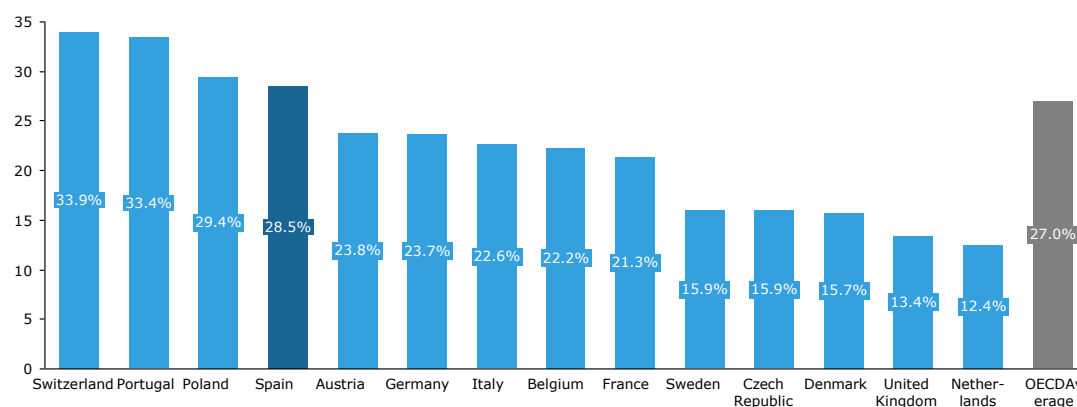
Healthcare spending in relation to GDP in Spain is slightly below the OECD average



GRAPH 3

TOTAL HEALTHCARE SPENDING IN RELATION TO GDP IN SELECTED OECD COUNTRIES, 2013

Private healthcare spending in Spain accounts for 28.5% of total healthcare spending, ranking above the OECD average and major neighbouring countries

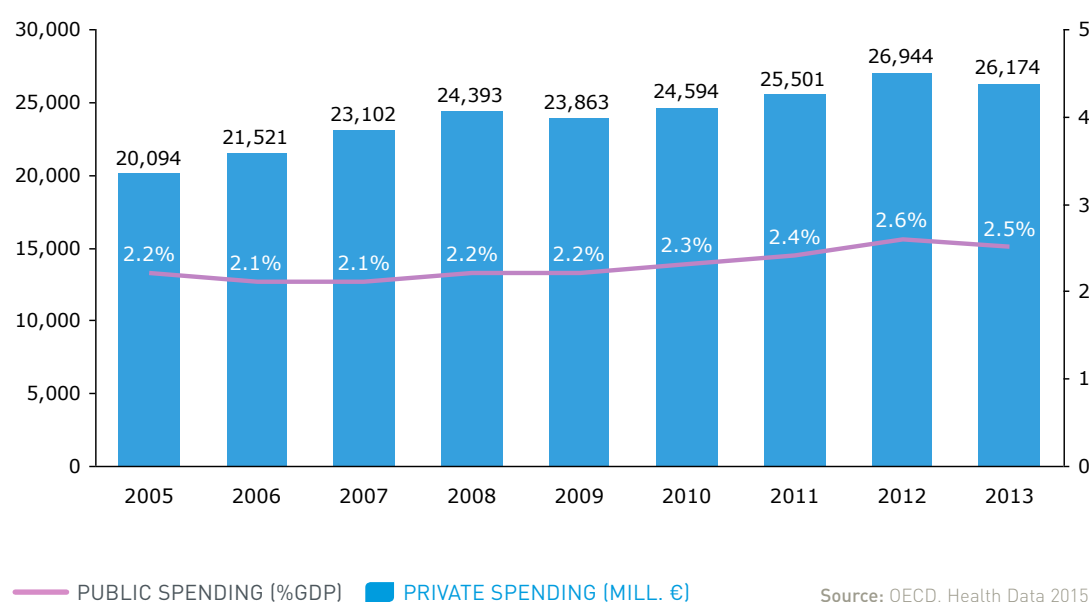


Source: OECD, Health Data 2015.

GRAPH 4

EVOLUTION OF PRIVATE HEALTH SPENDING IN MILL. € AND IN RELATION TO GDP, 2005-2013

Private healthcare spending shows a growing trend in recent years, falling slightly in 2013



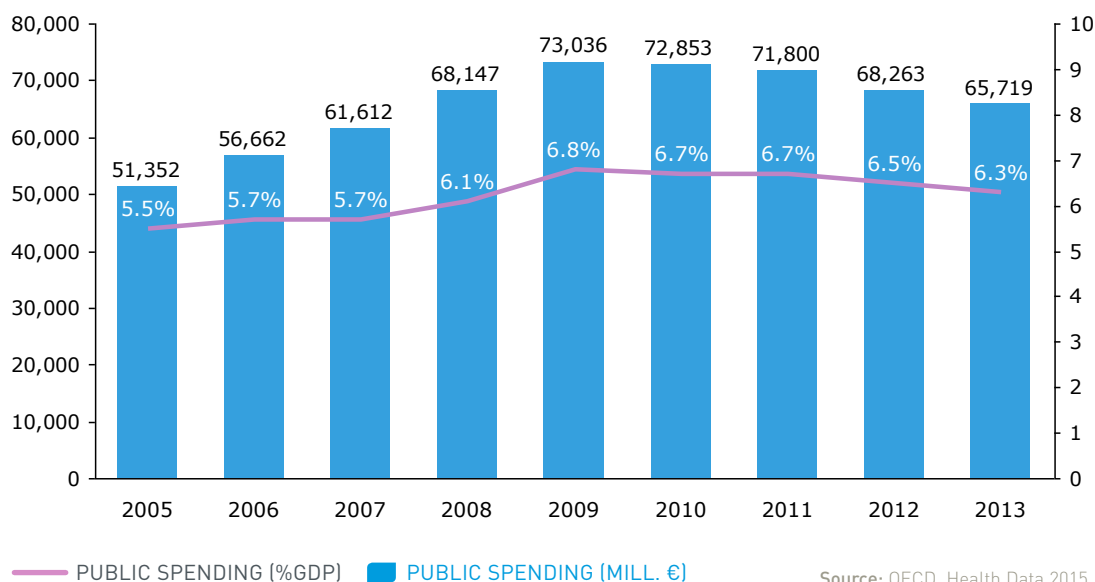
— PUBLIC SPENDING (%GDP) ■ PRIVATE SPENDING (MILL. €)

Source: OECD, Health Data 2015.

GRAPH 5

EVOLUTION OF PUBLIC HEALTH SPENDING IN MILL. € AND IN RELATION TO GDP, 2005-2013

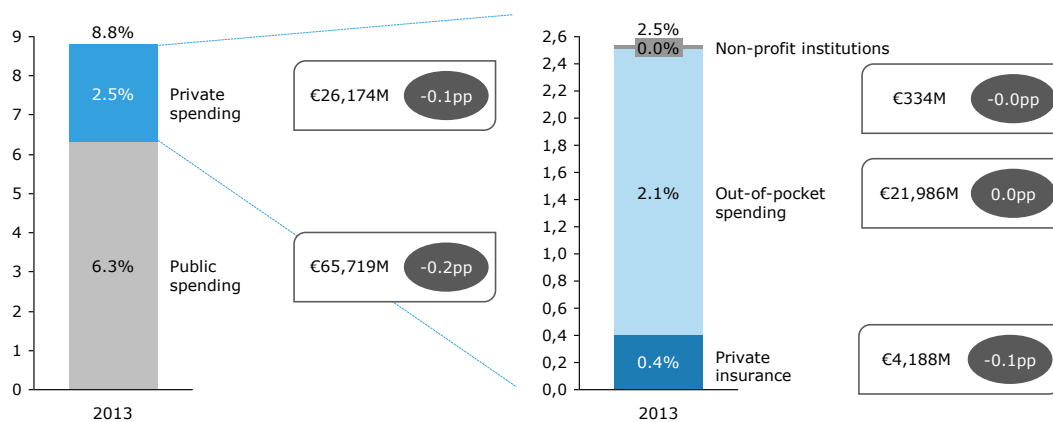
Public healthcare spending continues the downward trend that started at the beginning of the economic crisis



GRAPH 6

COMPOSITION OF PRIVATE HEALTHCARE SPENDING IN RELATION TO GDP (% AND MILL. €), 2013

Private healthcare spending accounts for 2.5% of GDP, with 2.1% corresponding to out-of-pocket spending and 0.4% to private insurance



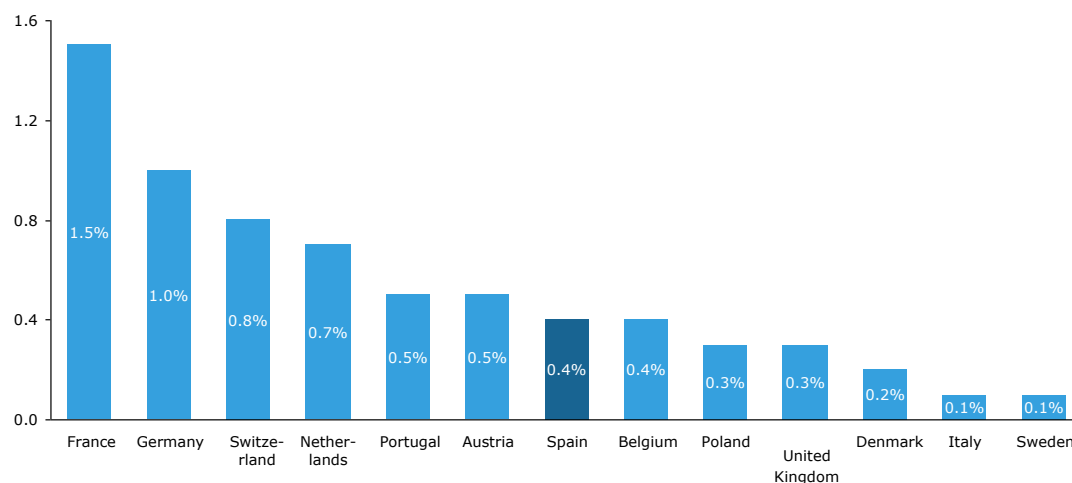
* Out-of-pocket spending is, according to the OECD methodology, spending by Spanish families on the following items: medicines and other pharmaceutical products, therapeutic devices and equipment; outpatient medical and paramedical services such as dentist services, clinical analysis and medical imaging centres; hospital services; social protection services and private healthcare insurance services.

Source: OECD, Health Data 2015.

GRAPH 7

PRIVATE INSURANCE SPENDING IN RELATION TO GDP IN SELECTED OECD COUNTRIES, 2013

Compared with our neighbours, Spain ranks ahead of countries like the United Kingdom and Italy, but behind France, Germany and Switzerland.

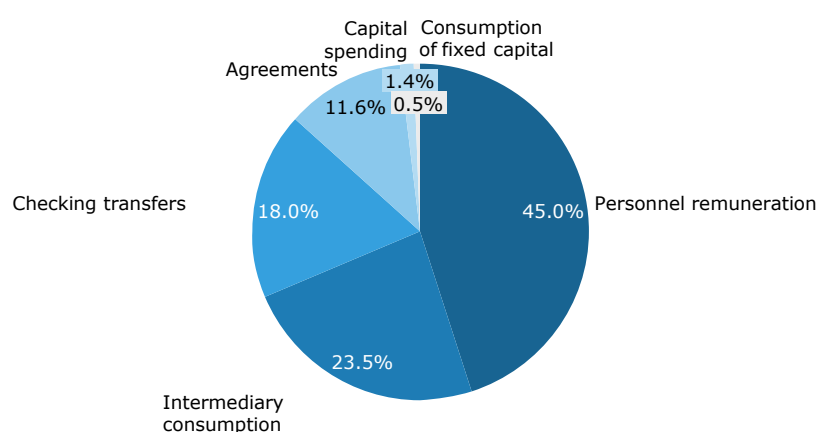


Source: OECD, Health Data 2015.

GRAPH 8

COMPOSITION OF PUBLIC HEALTHCARE SPENDING 2013

Agreements between public healthcare and private healthcare centres represent 11.6% of public healthcare spending.

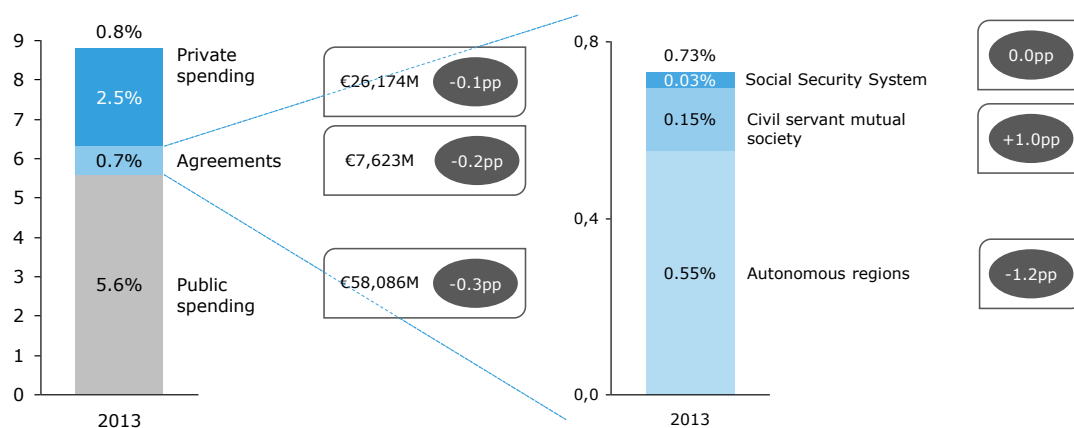


Source: Ministry of Health, Social Policy and Equality, Satellite Account of Public Healthcare Spending, 2002-2013 series.

GRAPH 9

ESTIMATION OF THE COMPOSITION OF PUBLIC HEALTHCARE SPENDING IN PRIVATE PROVISION, 2013

Agreements between public healthcare and private healthcare centres is estimated to represent 0.7% of GDP

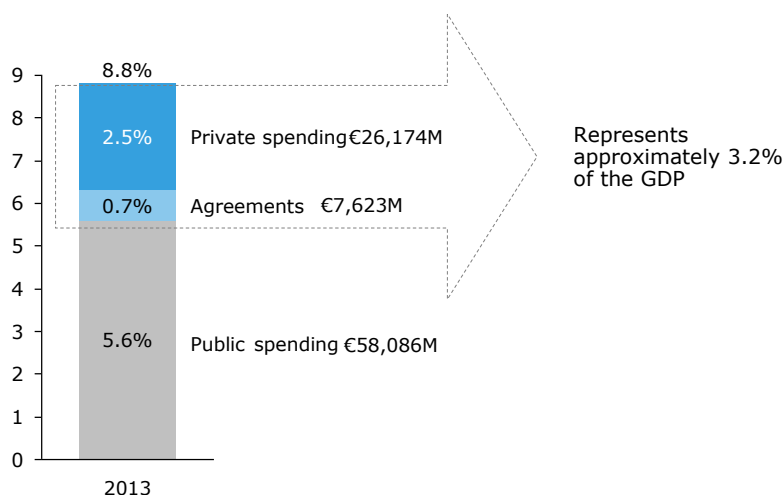


Source: prepared in-house using data from OECD Health 2015 and the Ministry of Health, Social Policy and Equality, Satellite Account of Public Healthcare Spending, 2002-2013 series.

GRAPH 10

ESTIMATION OF THE COMPOSITION OF SPENDING IN THE PRIVATE HEALTHCARE SECTOR, 2013

Spending on private provision in Spain was estimated to represent 3.2% of GDP in 2013



Source: prepared in-house using data from OECD Health 2015 and the Ministry of Health, Social Policy and Equality, Satellite Account of Public Healthcare Spending, 2002-2013 series.

2.2 Frees up public health resources

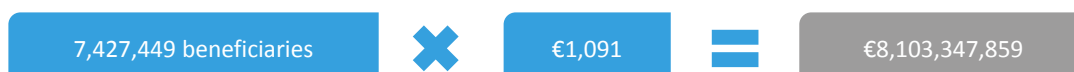
ILLUSTRATION 1

ESTIMATED SAVINGS GENERATED BY PRIVATE INSURANCE, 2015

It is estimated that private insurance saves the National Healthcare System up to €1,091 per person/year

Hypothesis 1: a citizen covered by a private policy exclusively uses the private system.

If private insurance beneficiaries do not use the public health system, savings of an estimated 8.103 billion euros would be obtained.



Hypothesis 2: a citizen covered by a private policy carries out a mixed use, i.e. consuming public and private resources.

In this case, it is assumed that the insurance beneficiary also uses public resources in the proportion equal to the difference between the cost of public provision and insurer spending on each insured party, i.e. €525.



In this scenario, a savings generated by private insurance of 4.034 billion euros is estimated, calculated as follows:



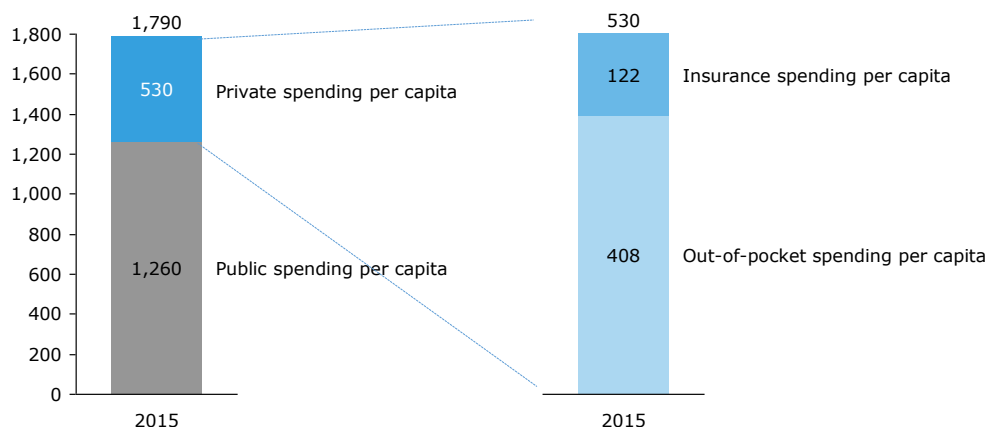
Thus, it is estimated that the savings generated by private insurance would be between 4.203 and 8.103 billion euros.

Source: prepared in-house in 2016 using data from the Ministry of Health, Social Services and Equality, initial budgets adjusted by the average deviation in 2009-2013 (7.27%); INE, municipal register 2015; ICEA, Health Insurance January-September 2015. Estimated public health spending does not include pharmaceutical costs or the cost of mutual health insurance for civil servants. The cost of insurance has been estimated based on ICEA data on the volume of claims paid, and the number of healthcare policy holders and reimbursement of expenses.

GRAPH 11

ESTIMATED PUBLIC AND PRIVATE HEALTHCARE SPENDING PER CAPITA, 2015

Public healthcare spending per capita is estimated at €1,260 compared to private healthcare spending per capita at €530

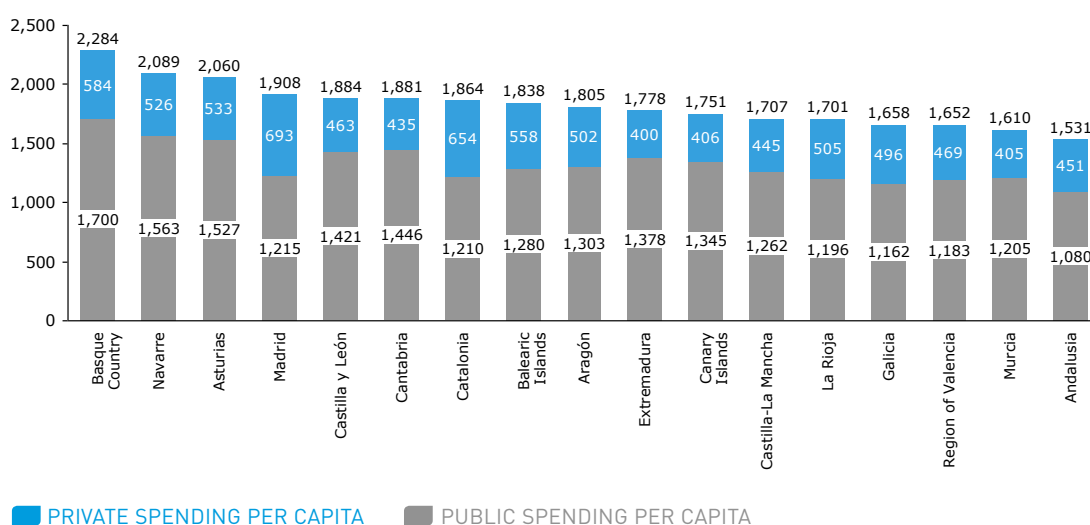


Source: prepared in-house in 2016 using data from the Ministry of Health, Social Services and Equality, initial budgets adjusted by the average deviation in 2009-2013 (7.27%); INE. Municipal Register 2015 and statistics of household budgets 2014 (includes items of drugs and other pharmaceutical products, therapeutic devices and equipment, outpatient medical and paramedical services, hospital services and social protection); ICEA: Health Insurance January-September 2015.

GRAPH 12

ESTIMATED PUBLIC AND PRIVATE HEALTHCARE SPENDING PER CAPITA BY AUTONOMOUS REGION, 2015

Basque Country, Navarre and Asturias are the autonomous regions with the highest total healthcare spending (public + private)



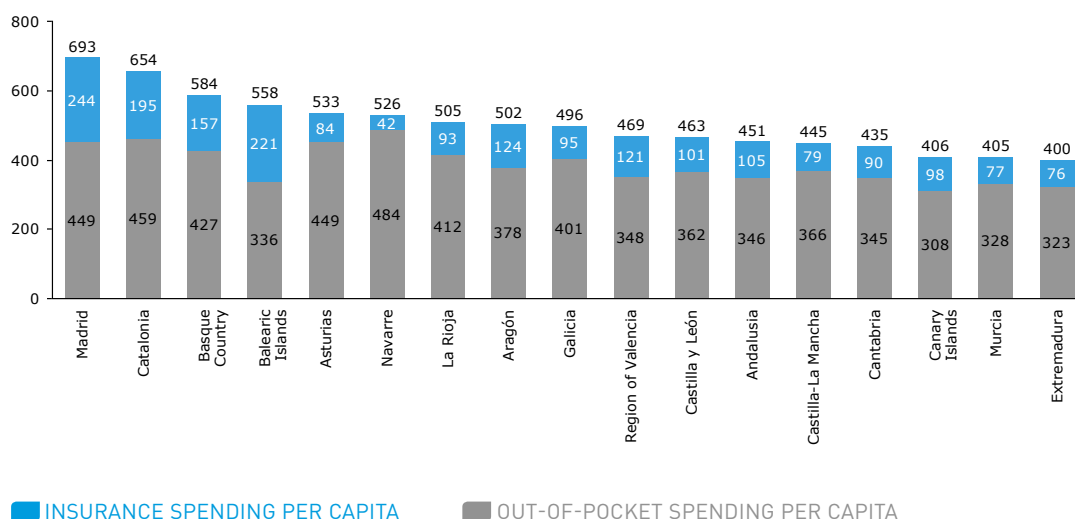
■ PRIVATE SPENDING PER CAPITA ■ PUBLIC SPENDING PER CAPITA

Source: prepared in-house in 2016. Public spending per capita calculated from data from the Ministry of Health, Social Services and Equality, initial 2015 Autonomous Region budgets adjusted by the average deviation produced in the period 2009-2013 (7.27%); and INE, municipal register 2015. Private spending per capita calculated from data from the INE, household budget survey 2014; and ICEA, Health Insurance 2014 and January-September 2015.

GRAPH 13

ESTIMATION OF THE DISTRIBUTION OF PRIVATE SPENDING PER CAPITA BY AUTONOMOUS REGION, 2015

Madrid, Catalonia and the Basque Country are the regions that recorded the highest private healthcare spending per capita



INSURANCE SPENDING PER CAPITA

OUT-OF-POCKET SPENDING PER CAPITA

Source: prepared in-house in 2016 using data from the INE, household budget survey 2014; and ICEA, Health Insurance 2014 and January-September 2015.

TABLE 1

DIFFERENCE BETWEEN BUDGETED HEALTHCARE SPENDING AND ACTUAL SPENDING BY AUTONOMOUS REGION (MILL. €), 2012 AND 2013

Most of the regions recorded deviations due to overspending compared to budgeted spending

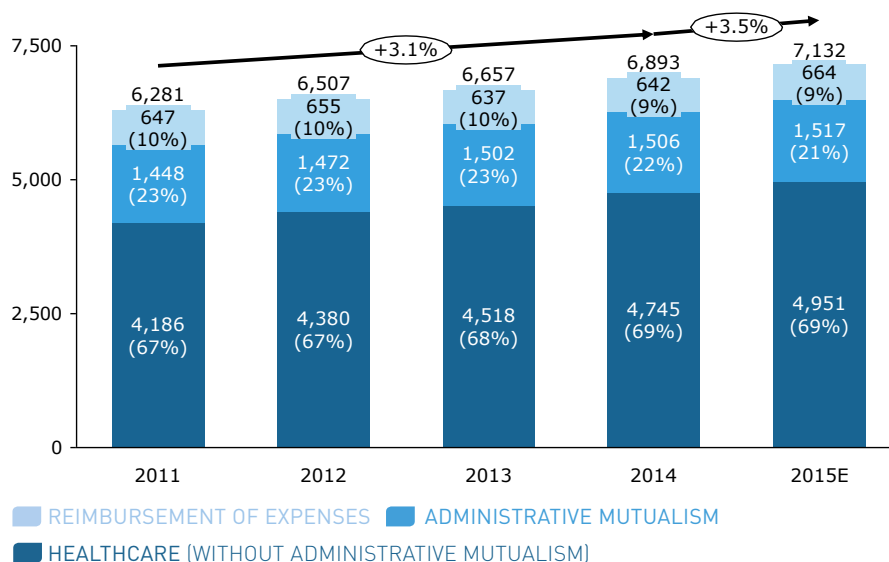
Autonomous region	Initial budget 2013	Spending 2013	Difference	Deviation 2013 spending against budget	Deviation 2012 spending against budget
Andalusia	8,475	8,812	337	4%	-2%
Aragón	1,620	1,656	36	2%	10%
Asturias	1,486	1,520	34	2%	7%
Balearic Islands	1,174	1,278	104	8%	6%
Canary Islands	2,578	2,553	-25	-1%	-3%
Cantabria	773	801	28	3%	39%
Castilla y León	3,247	3,391	145	4%	1%
Castilla-La Mancha	2,443	2,506	63	3%	0%
Catalonia	8,292	9,265	973	11%	8%
Region of Valencia	4,964	5,671	707	12%	11%
Extremadura	1,311	1,543	232	15%	3%
Galicia	3,419	3,559	139	4%	0%
Madrid	7,112	7,403	291	4%	7%
Murcia	1,567	2,086	519	25%	17%
Navarre	857	892	36	4%	0%
Basque Country	3,499	3,394	-104	-3%	-1%
La Rioja	347	415	68	16%	14%
Total	53,164	56,746	3,582	6.3%	4.6%

Source: Ministry of Health, Social Services and Equality, budgets of the Autonomous Regions 2012 and 2013, Satellite Accounts of Public Healthcare Spending, 2002 and 2013 series.

GRAPH 14

EVOLUTION OF VOLUME OF PREMIUMS, (MILL. €), 2011-2015

The volume of premiums registered in 2015 is 7.132 billion euros, an increase of 3.5% over the previous year

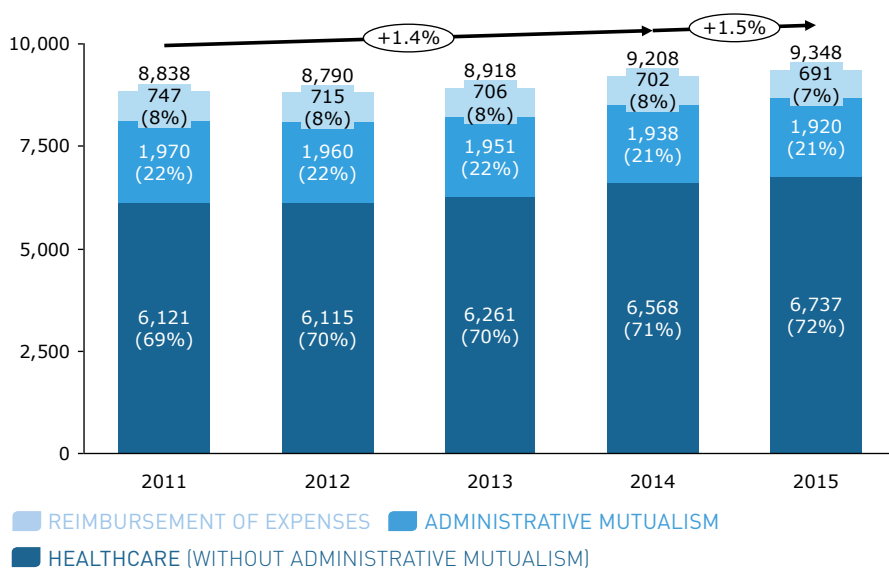


Source: ICEA, Health Insurance 2011-2014, January-September 2015 and insurance sector growth 2015 (provisional data)

GRAPH 15

EVOLUTION OF THE NUMBER OF INSURED INDIVIDUALS (THOUSANDS), 2011-2015

The number of insured individuals is 9.3 million in 2015, of which 72% correspond to healthcare (without administrative mutualism)

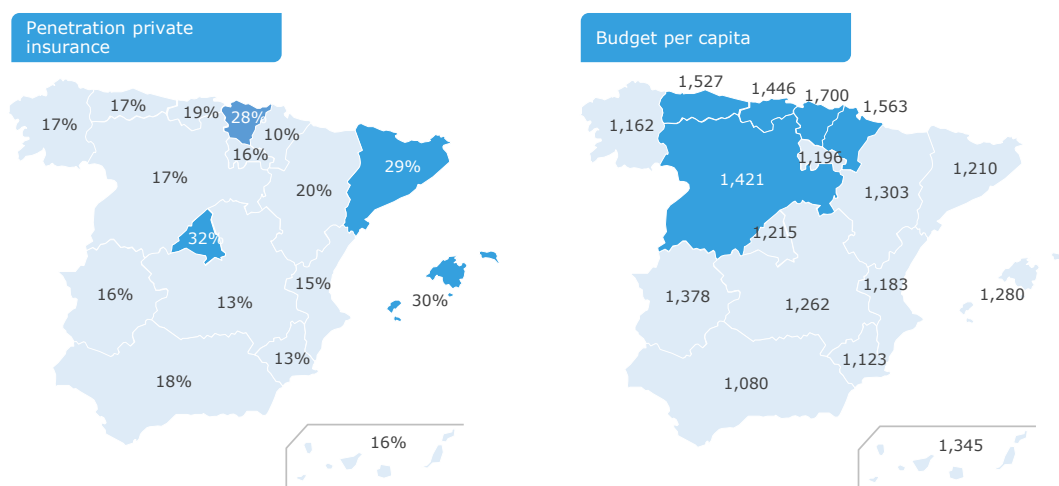


Source: ICEA, Health Insurance, 2011-2014 and January-September 2015.

ILLUSTRATION 2

PENETRATION OF PRIVATE INSURANCE AND BUDGET PER CAPITA FOR HEALTHCARE SPENDING, 2015

Certain autonomous regions with greater penetration of private insurance (Madrid, Catalonia and the Balearic Islands) have a lower public healthcare budget than most other autonomous regions

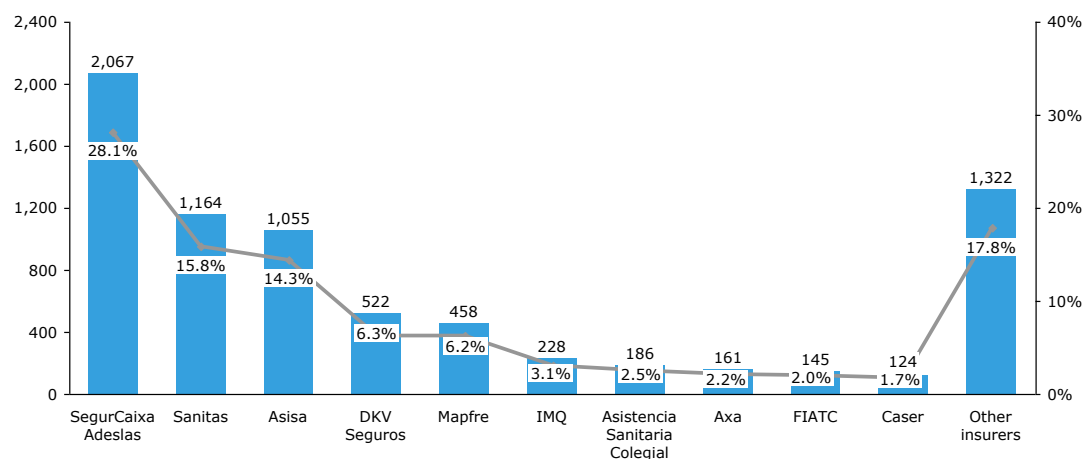


Source: prepared in-house using data from the Ministry of Health, Social Services and Equality, 2015 budgets of the Autonomous Regions adjusted by the average deviation produced in the period 2009-2013 (7.27%); and ICEA, Health Insurance 2014 and January-September 2015.

GRAPH 16

VOLUME OF PREMIUMS AND MARKET SHARE OF THE MAJOR INSURANCE COMPANIES (MILL. €), 2015

The health insurance sector shows a high degree of concentration, with the top 5 companies representing a 71% market share in volume of premiums, which increases to 82% if we look at the top 10 insurance companies

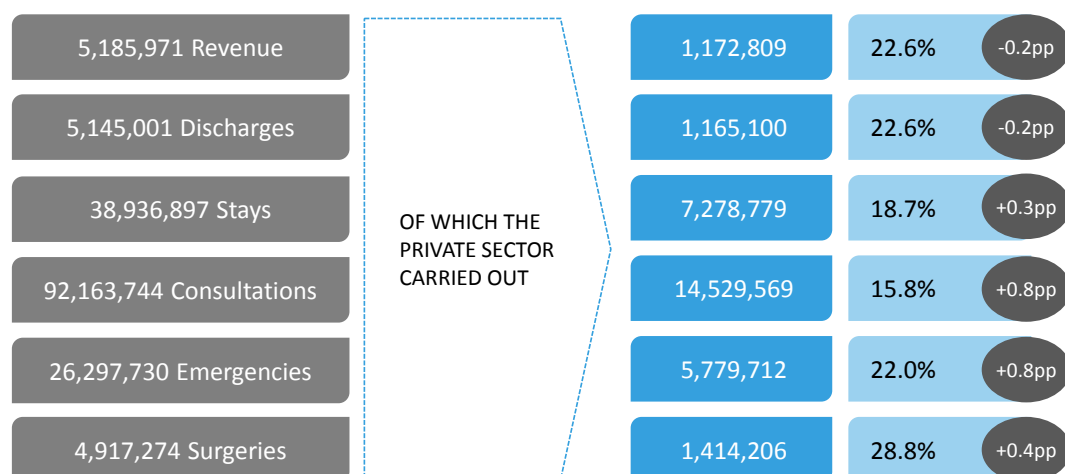


Source: ICEA, healthcare ranking January-December 2015 (provisional data).

ILLUSTRATION 3

CARE ACTIVITY PROVIDED IN SPECIALISED CARE CENTRES, 2013

Private healthcare frees up the public healthcare system; the activity carried is highly significant



Source: Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

TABLE 2

EVOLUTION OF THE NUMBER OF SURGICAL PROCEDURES, 2012-2013

Private healthcare carries out 29% of surgical procedures, covers 23% of discharges and attends to 22% of emergencies

	Public Hospitals -SNS		Private hospitals		% private / total		Variation 2012-2013
	2012	2013	2012	2013	2012	2013	
Revenue	4,016,042	4,013,162	1,185,672	1,172,809	22.8%	22.6%	-0.2pp
Discharges	3,990,430	3,979,901	1,176,359	1,165,100	22.8%	22.6%	-0.2pp
Stays	32,190,145	31,658,118	7,240,147	7,278,779	18.4%	18.7%	+0.3pp
Consultations	75,363,939	77,634,175	13,272,569	14,529,569	15.0%	15.8%	+0.8pp
Emergencies	20,254,836	20,518,018	5,460,165	5,779,712	21.2%	22.0%	+0.8pp
Surgeries	3,394,793	3,503,068	1,346,820	1,414,206	28.4%	28.8%	+0.4pp

Source: Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

TABLE 3

EVOLUTION OF THE NUMBER OF STAYS PER CARE AREA, 2012-2013

Medicine and medical specialisations, Psychiatry and Extended Stays are the areas that recorded the highest number of stays in the private sector

Care area	2012		2013		Variation 2012-2013
	Total (public + private)	% private	Total (public + private)	% private	
Medicine and medical specialisations	13,972,704	14.0%	14,049,793	14.3%	+0.3pp
Surgery and surgical specialisations	6,249,266	15.1%	6,078,619	15.3%	+0.2pp
Orthopaedic Surgery and Traumatology	2,887,408	19.6%	2,888,438	20.1%	+0.5pp
Obstetrics and Gynaecology	2,192,130	20.8%	2,043,604	21.5%	+0.7pp
Paediatrics	1,626,934	11.5%	1,548,298	12.1%	+0.6pp
Rehabilitation	480,812	30.3%	503,837	35.2%	+4.9pp
Intensive Medicine	1,229,564	13.5%	1,265,226	13.9%	+0.4pp
Extended Stays	4,581,405	28.3%	4,398,258	28.3%	0.0pp
Psychiatry	5,369,772	25.7%	5,315,376	26.7%	+1.0pp
Palliative Care	500,735	19.4%	483,283	19.3%	-0.1pp
Others	340,912	11.6%	362,165	4.5%	-7.1pp

Source: Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

TABLE 4

EVOLUTION OF THE NUMBER OF DISCHARGES PER CARE AREA, 2012-2013

Surgery and other specialised procedures, Medicine and medical specialisations, Orthopaedic Surgery and Traumatology, and Obstetrics and Gynaecology are the most represented care areas in the private sector in terms of discharges

Care area	2012		2013		Variation 2012-2013
	Total (public + private)	% private	Total (public + private)	% private	
Medicine and medical specialisations	1,815,783	17.5%	1,881,784	17.1%	-0.4pp
Surgery and surgical specialisations	1,349,793	27.5%	1,295,920	27.8%	+0.3pp
Orthopaedic Surgery and Traumatology	594,895	33.6%	608,609	33.4%	-0.2pp
Obstetrics and Gynaecology	735,810	24.0%	697,867	24.3%	+0.3pp
Paediatrics	365,355	15.3%	354,699	15.8%	+0.5pp
Rehabilitation	13,660	19.7%	13,353	22.3%	+2.6pp
Intensive Medicine	295,179	17.9%	287,457	19.2%	+1.3pp
Extended Stays	48,716	19.2%	48,037	15.5%	-3.7pp
Psychiatry	98,309	10.3%	100,897	10.0%	-0.3pp
Palliative Care	32,919	10.5%	32,510	9.3%	-1.2pp
Others	33,829	4.0%	31,269	3.6%	-0.4pp

Source: Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

TABLE 5

EVOLUTION OF THE NUMBER OF SURGICAL PROCEDURES, 2012-2013

Private healthcare carried out 32% of surgical procedures with hospitalisation and 26% of major outpatient surgery procedures

Surgeries	2012		2013		Variation 2012-2013
	Total (public + private)	% private	Total (public + private)	% private	
With hospitalisation	2,099,129	32.0%	2,113,636	32.0%	0.0pp
With major outpatient surgery	1,444,804	25.8%	1,523,289	25.9%	+0.1pp
Other outpatient interventions	1,199,249	25.3%	1,280,349	26.9%	+1.7pp
Total	4,743,182	28.4%	4,917,274	28.8%	+0.3pp

Source: Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

TABLE 6

EVOLUTION OF THE NUMBER OF SURGICAL PROCEDURES BY SPECIALISATION, 2012-2013

By specialisation, private healthcare performed 34% of Orthopaedic Surgery and Traumatology procedures, 33% of Neurosurgery procedures, 32% of Gynaecology and Obstetrics procedures, and 31% of Angiology procedures and Vascular Surgery procedures, among others

Specialisation	2012		2013		Variation 2012-2013
	Total (public + private)	% private	Total (public + private)	% private	
Angiology and Vascular Surgery	112,859	34.1%	110,654	31.1%	-3.0p
Heart Surgery	40,403	22.2%	42,597	20.4%	-1.8pp
General and Digestive Surgery	941,262	29.5%	958,310	30.4%	+0.9pp
Maxillofacial Surgery	155,855	21.5%	159,236	17.3%	-4.2pp
Paediatric Surgery	85,444	17.2%	89,607	17.7%	+0.5pp
Plastic Surgery	187,707	52.4%	192,204	52.3%	-0.1pp
Thoracic Surgery	23,758	13.8%	24,671	15.8%	+2.0p
Dermatology	379,240	14.4%	412,749	16.1%	+1.7pp
Gynaecology and Obstetrics	458,058	31.6%	447,755	31.6%	0.0pp
Neurosurgery	64,727	31.9%	68,507	33.0%	+1.1pp
Ophthalmology	643,300	20.9%	684,732	20.5%	-0.4pp
Otolaryngology	215,255	25.8%	220,780	26.3%	+0.5pp
Orthopaedic Surgery and Traumatology	824,293	34.2%	861,433	34.3%	+0.1pp
Urology	359,291	25.4%	371,196	26.3%	+0.9pp
Others	251,730	35.8%	272,843	40.2%	+4.4pp

Source: Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

2.3 Improves the public's accessibility to healthcare

TABLE 7

ACCESSIBILITY INDICATORS IN PRIVATE HEALTHCARE, 2014

Private hospitals have an important flexibility in responding to the needs of the public

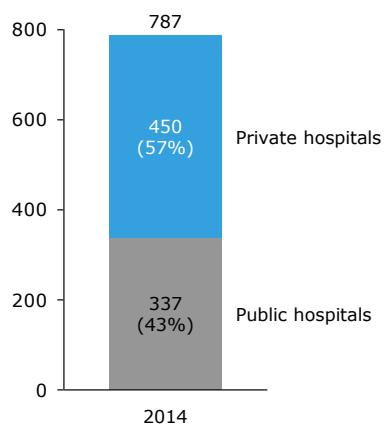
Type of service	Days
Average waiting time for complementary test appointments:	
Mammograms	11.42
MRIs	9.62
CAT scans	6.83
Average time for submission of test reports:	
Mammograms	1.98
MRIs	3.52
CAT scans	2.87
Average waiting time for specialist appointments:	
Ophthalmology	14.31
Dermatology	11.04
Traumatology	10.04
Gynaecology and Obstetrics	10.20
Average time in emergency first aid care (minutes)	
Average time in emergency triage care	07:13
Average time in emergency physician's care	16:39
Average wait time for surgery:	
Average wait time for surgery	43.54
Average time between diagnosis and treatment in cancer processes:	
Breast cancer	15.99
Colon cancer	13.9
Lung cancer	9.97

Source: IDIS, RESA Report 2015, Health Outcome Indicators in Private Healthcare.

GRAPH 17

NUMBER OF HOSPITALS IN SPAIN IN 2014

The private hospital sector accounts for 57% of the hospitals in our country



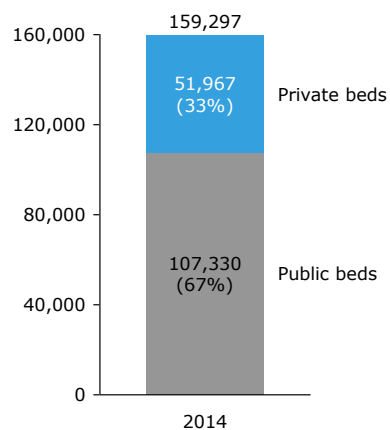
* Hospital complexes are counted as a single hospital.

Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 18

NUMBER OF BEDS IN SPAIN IN 2014

The private hospital sector accounts for 33% of the beds in our country

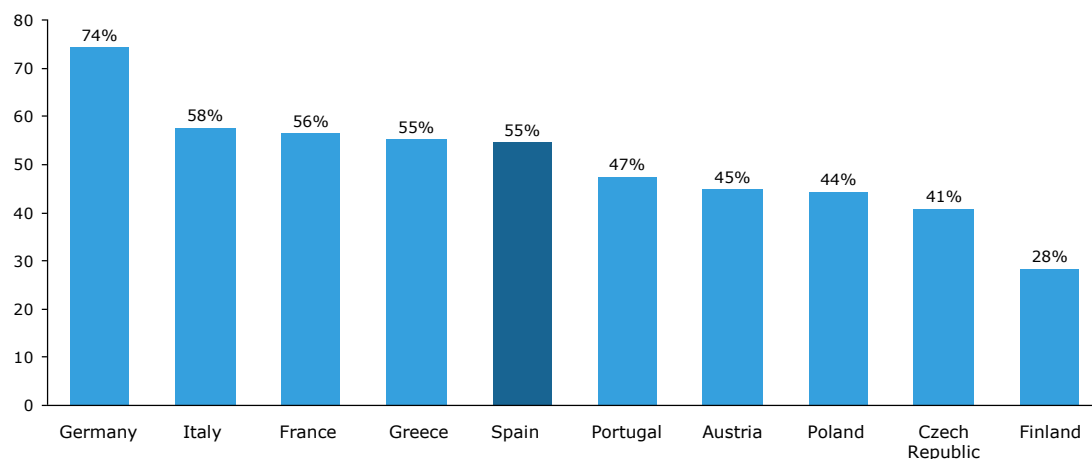


Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 19

PERCENTAGE OF PRIVATE HOSPITALS OVER THE TOTAL NUMBER OF HOSPITALS IN SELECTED COUNTRIES, 2013

Spain is at an intermediate level compared to the countries analysed



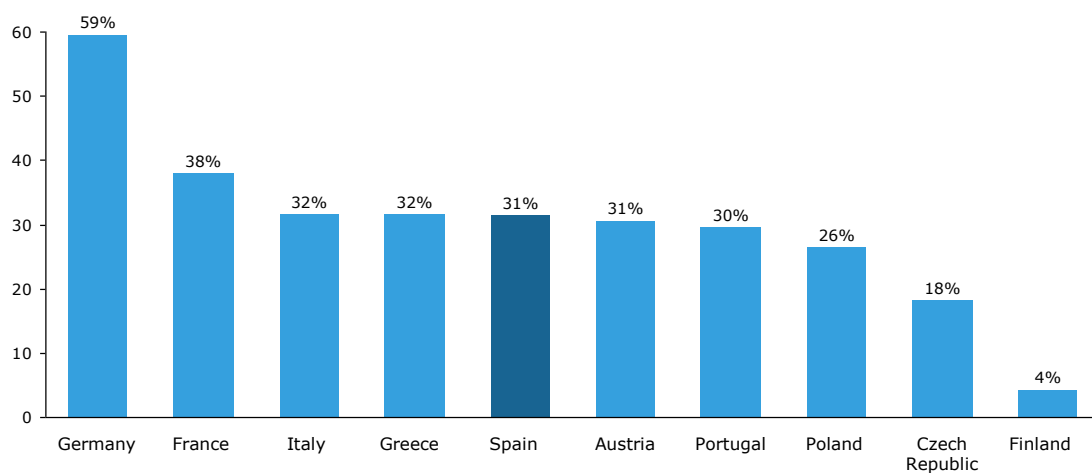
* Any differences in the data provided by the Ministry of Health, Social Services and Equality and the OECD in relation to the percentage of private hospitals compared to the total number of hospitals in Spain come from the methodology and adjustments carried out by the OECD for comparisons between different countries.

Source: OECD, Health Data 2015.

GRAPH 20

PERCENTAGE OF PRIVATE BEDS OVER THE TOTAL NUMBER OF BEDS IN SELECTED COUNTRIES, 2013

Spain is at an intermediate level compared to the countries analysed



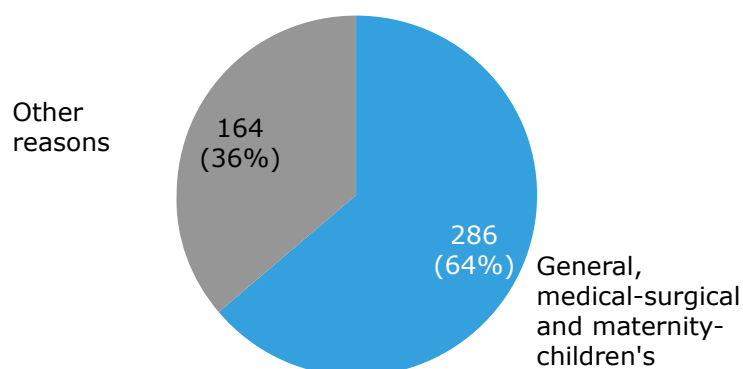
* Any differences in the data provided by the Ministry of Health, Social Services and Equality and the OECD in relation to the percentage of private beds compared to the total number of beds in Spain come from the methodology and adjustments carried out by the OECD for comparisons between different countries.

Source: OECD, Health Data 2015.

GRAPH 21

PRIVATE HOSPITALS BY CARE SPECIALISATION, 2014

64% of existing private hospitals in our country are general, medical-surgical and maternity-children's



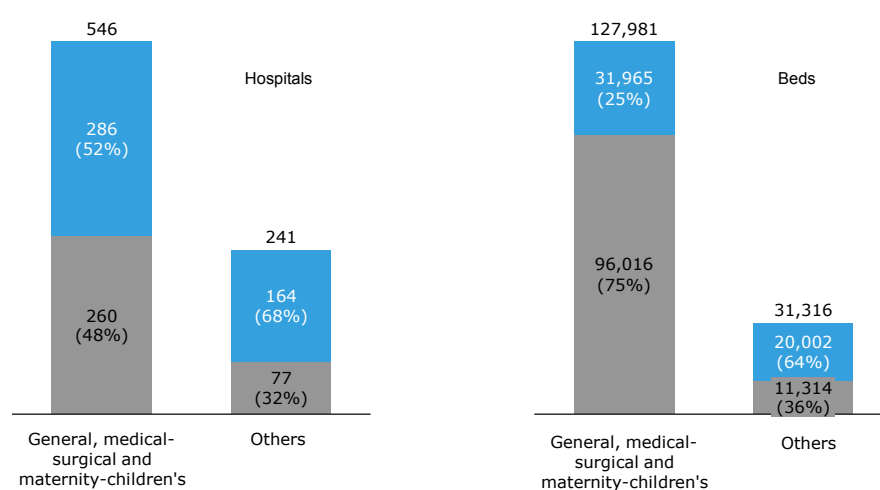
* Other specialisation is composed of extended-stay, psychiatric, geriatric and specialised hospitals.

Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 22

NUMBER OF BEDS AND HOSPITALS BY CARE SPECIALISATION, 2014

The private hospital sector represents 52% of hospitals and 25% of beds in general, medical-surgical and maternity-children's hospitals



Source: prepared in-house using data from the Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

TABLE 8

DISTRIBUTION OF HOSPITALS AND BEDS BY AUTONOMOUS REGION (ORDERED BY NUMBER OF PRIVATE BEDS), 2014

Catalonia, Madrid and Andalusia are the regions with the greatest number of private hospitals and beds

Autonomous region	Hospitals		Beds	
	Public	Private	Public	Private
Catalonia	66	146	15,307	19,387
Madrid	34	46	14,541	7,126
Andalusia	46	60	15,089	5,780
Canary Islands	15	23	4,945	2,675
Basque Country	17	26	5,710	2,477
Region of Valencia	35	25	11,183	2,438
Galicia	14	24	7,297	2,341
Castilla y León	15	21	7,224	2,318
Murcia	11	16	3,261	1,568
Balearic Islands	11	13	2,541	1,328
Asturias	9	11	2,761	998
Aragón	20	9	4,411	964
Navarre	4	7	1,405	851
Cantabria	3	4	1,336	682
Castilla-La Mancha	19	9	5,290	478
Extremadura	11	8	3,698	430
La Rioja	5	2	909	126
Ceuta	1	0	252	0
Melilla	1	0	170	0
Total	337	450	107,330	51,967

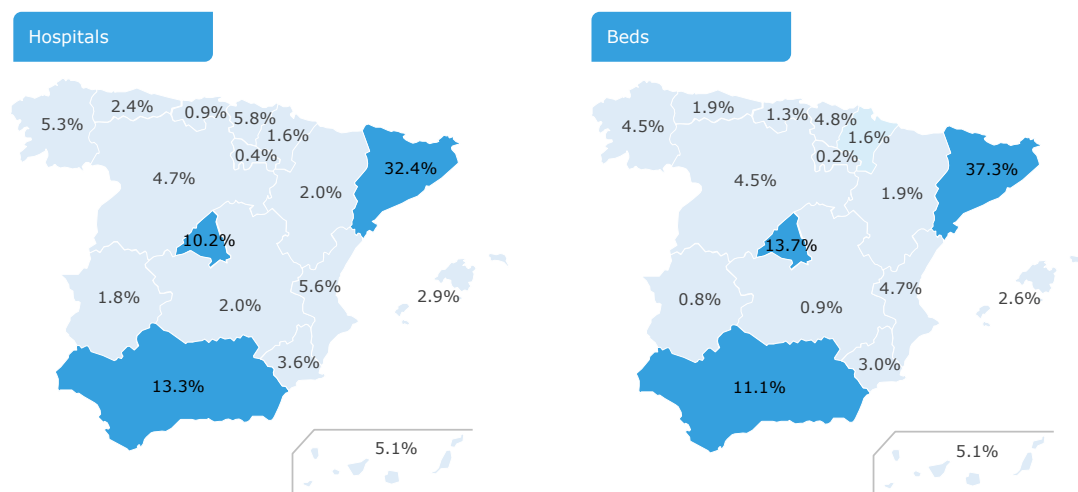
Source: prepared in-house using data from the Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.



ILLUSTRATION 4

GEOGRAPHICAL DISTRIBUTION OF PRIVATE HOSPITALS AND BEDS BY PERCENTAGE, 2014

Catalonia, Madrid and Andalusia account for ~ 56% of private hospitals and ~ 62% of beds

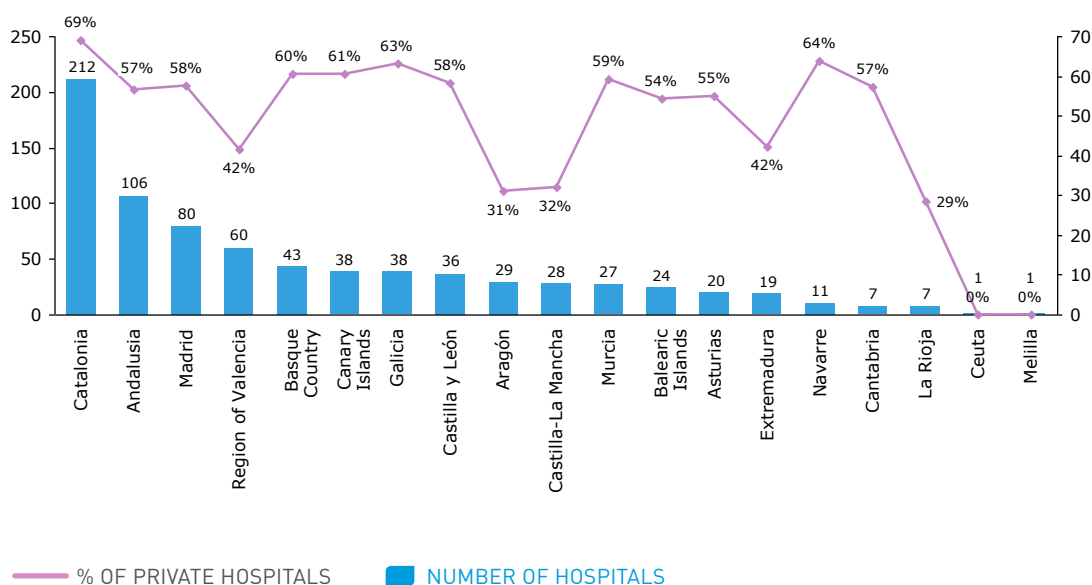


Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 23

TOTAL NUMBER OF HOSPITALS AND THE PROPORTION OF PRIVATE HOSPITALS, 2014

Catalonia, Navarre and Galicia are the autonomous regions with the highest percentage of private hospitals over total hospitals

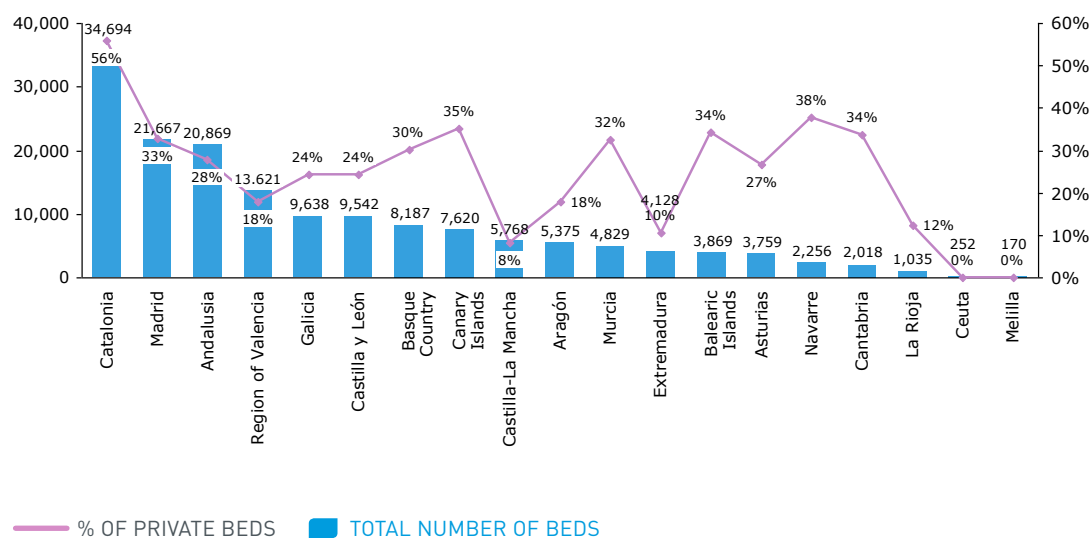


Source: prepared in-house using data from the Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 24

TOTAL NUMBER OF BEDS AND THE PROPORTION OF PRIVATE BEDS, 2014

Catalonia, Navarre and the Canary Islands are the autonomous regions with the highest percentage of private beds over total beds

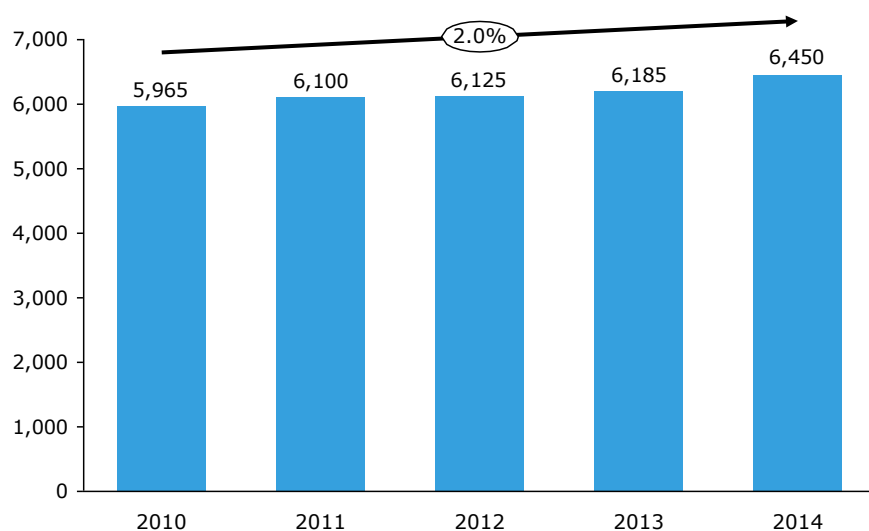


Source: prepared in-house in 2016 using data from the Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 25

EVOLUTION OF THE PRIVATE NON-CHARITABLE HOSPITAL MARKET IN (MILL. €), 2010-2014

The private non-charitable hospital market reached 6.45 billion euros in 2014, an annual increase of 2% during the period of 2010-2014

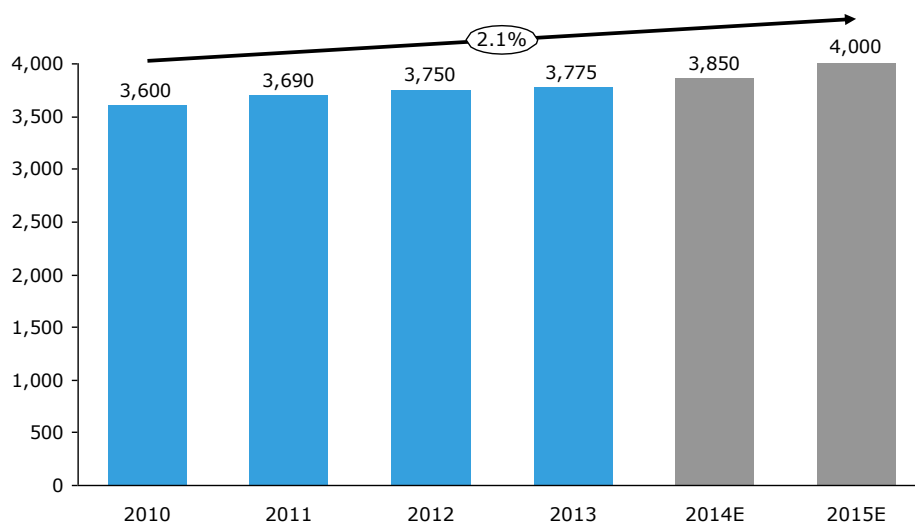


Source: DBK, Private Clinics 2015.

GRAPH 26

EVOLUTION OF THE PRIVATE CHARITABLE HOSPITAL MARKET IN (MILL. €), 2010-2015

It is estimated that the private charitable hospital market may have reached 4 billion euros in 2015



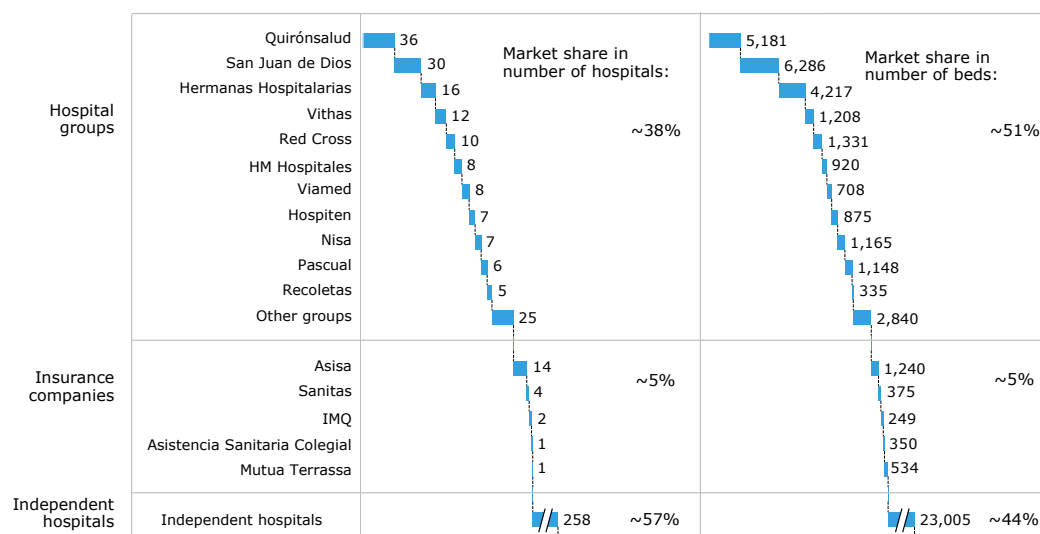
* 2014 and 2015 turnover are estimates.

Source: DBK, Public Hospitals and Turnover 2014.

GRAPH 27

DISTRIBUTION OF HOSPITALS AND BEDS BY MAIN OPERATOR, 2015

51% of hospital beds correspond to hospital groups, 44% to independent hospitals and 5% to hospitals pertaining to insurance companies

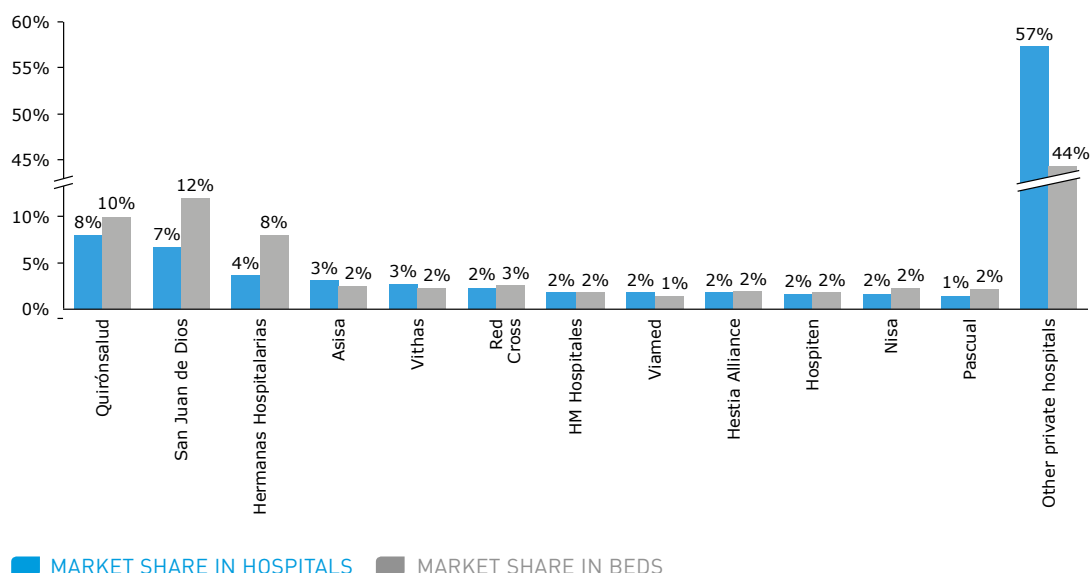


Source: prepared in-house using data from the Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 28

MARKET SHARE IN NUMBER OF HOSPITALS AND BEDS IN THE PRIVATE HOSPITAL SECTOR, 2015

12 hospital groups account for 43% of private hospitals and 56% of private beds in our country



■ MARKET SHARE IN HOSPITALS ■ MARKET SHARE IN BEDS

Source: prepared in-house using data from the Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

ILLUSTRATION 5

GEOGRAPHICAL DISTRIBUTION OF HOSPITALS OF THE MAIN HOSPITAL OPERATORS

Madrid, Andalusia, Catalonia and the Basque Country are the autonomous regions with the greatest presence of hospital groups

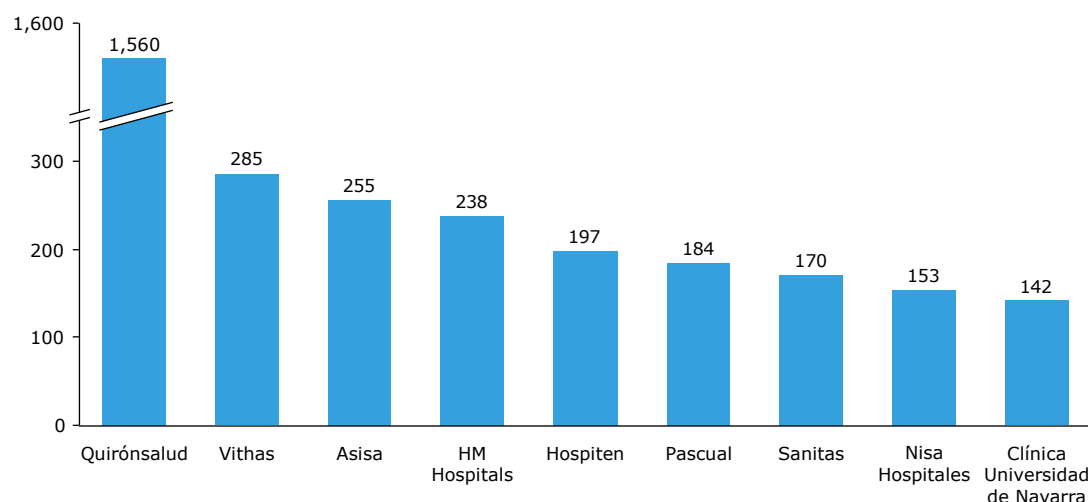


Source: prepared in-house in 2016

GRAPH 29

ESTIMATED TURNOVER OF THE MAIN HOSPITAL OPERATORS (MILL. €), 2014

The nine main operators in the sector reached a turnover of 3.184 billion euros in 2014, representing 49% of the non-charitable private hospital market



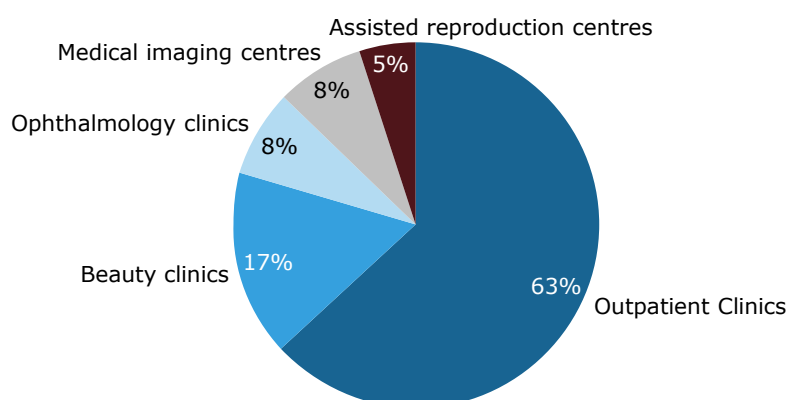
*: this does not include turnover coming from the management of public hospitals or other sectors such as medical centres and residences for the elderly.

Source: prepared in-house in 2016 using data from the annual accounts and records of different hospital groups.

GRAPH 30

CHARACTERISATION OF MEDICAL CENTRES

In Spain there are around 3,000 medical centres



Source: prepared in-house in 2016 using DBK data, Outpatient centres 2010, Diagnostic imaging 2014, Specialist centres 2015 and Assisted reproduction centres 2015.

2.4 Collaborates with the public system

ILLUSTRATION 6

TYPES OF MOST COMMON PUBLIC-PRIVATE HEALTHCARE COLLABORATIONS

Public healthcare agreements with private centres contribute significantly to the sustainability of the system

Agreements

- Agreements for diagnostic and therapeutic testing and procedures: signifies relief for waiting lists, especially in imaging and surgery.
- Agreements for certain health benefits: mainly respiratory therapy, dialysis, rehabilitation and speech therapy.
- Single agreements: private hospitals provide healthcare to a population area with inadequate healthcare infrastructures. These include, among others, Fundación Jiménez Díaz (Madrid), Povisa (Vigo), Fundación Hospital Jové (Asturias), José Manuel Pascual Pascual (Andalusia), La Orden San Juan de Dios in various autonomous regions and various hospitals in Catalonia that are part of the Hospital Network for Public Use.

Administrative mutualism

- Mechanism for healthcare coverage for approximately 2 million civil servants through MUFACE, MUGEJU and ISFAS.
- It involves public funding and each year beneficiaries can select public or private provision. Approximately 85% of civil servants select private provision.

Administrative concessions including healthcare service management

- There are currently 9 hospitals in Spain (5 in the Region of Valencia and 4 in Madrid) using this concession model that includes the construction of hospitals and the management of healthcare and non-healthcare services.
- The main operators in this collaboration model are Ribera Salud and Quirónsalud.

Source: prepared in-house in 2016

TABLE 9

EVOLUTION OF AGREEMENTS BY AUTONOMOUS REGION, 2012-2013

Catalonia, Madrid and the Canary Islands are the regions that allocate the greatest percentage of their budgets to agreements

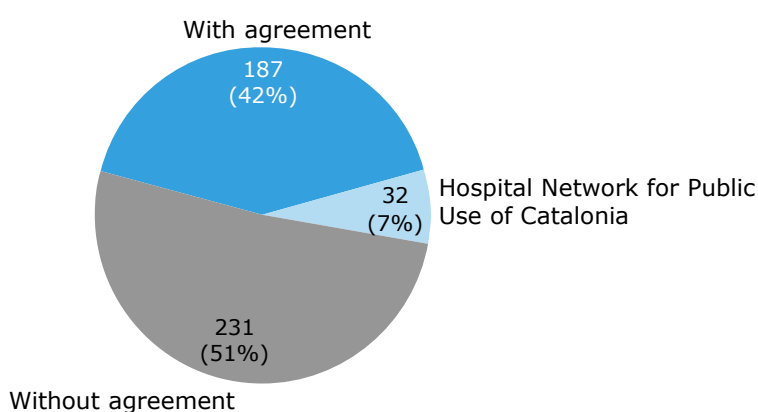
Autonomous region	2012		2013		Variation 2012-2013
	Amount	% of healthcare spending	Amount	% of healthcare spending	
Catalonia	2,386,326	25.00%	2,386,399	25.60%	0.00%
Madrid	834,388	10.80%	788,416	10.60%	-5.50%
Andalusia	460,375	5.00%	385,456	4.40%	-16.30%
Region of Valencia	376,612	6.20%	348,857	6.10%	-7.40%
Canary Islands	253,331	9.90%	270,790	10.50%	6.90%
Basque Country	248,141	7.20%	239,470	7.10%	-3.50%
Galicia	206,345	5.80%	204,993	5.70%	-0.70%
Castilla y León	162,122	4.70%	147,746	4.40%	-8.90%
Murcia	152,113	7.20%	135,811	6.50%	-10.70%
Castilla-La Mancha	166,861	6.40%	133,402	5.30%	-20.10%
Balearic Islands	116,669	9.00%	123,164	9.60%	5.60%
Asturias	118,525	7.20%	94,680	6.20%	-20.10%
Extremadura	74,356	4.80%	71,392	4.60%	-4.00%
Navarre	67,101	7.30%	64,336	7.20%	-4.10%
Aragón	85,508	4.20%	55,854	3.40%	-34.70%
La Rioja	33,845	8.10%	36,418	8.80%	7.60%
Cantabria	31,266	3.00%	30,785	3.80%	-1.50%

Source: Ministry of Health, Social Services and Equality, Satellite Account of Public Healthcare Spending, 2002-2013 series.

GRAPH 31

AGREEMENTS IN PRIVATE HOSPITALS, 2014

Approximately 42% of private hospitals have some type of agreement in place with public healthcare

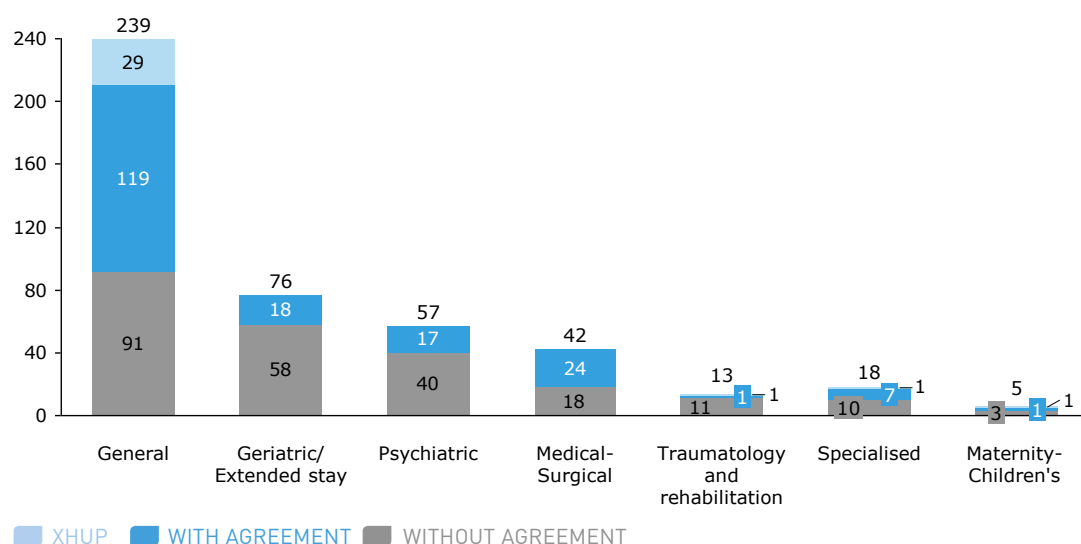


Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 32

NUMBER OF PRIVATE HOSPITALS BY SPECIALISATION IN TERMS OF AGREEMENTS, 2014

Private general hospitals have the greatest number of agreements, with a total of 119 hospitals

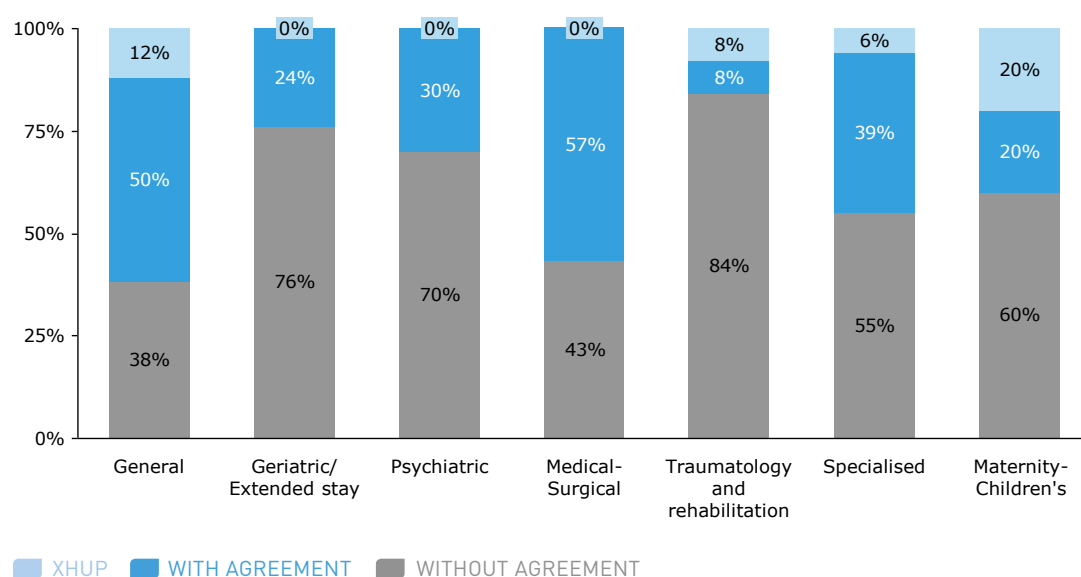


Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 33

PERCENTAGE OF PRIVATE HOSPITALS BY SPECIALISATION IN TERMS OF AGREEMENTS, 2014

Medical-surgical hospitals and general hospitals have the highest percentage of hospitals with agreements

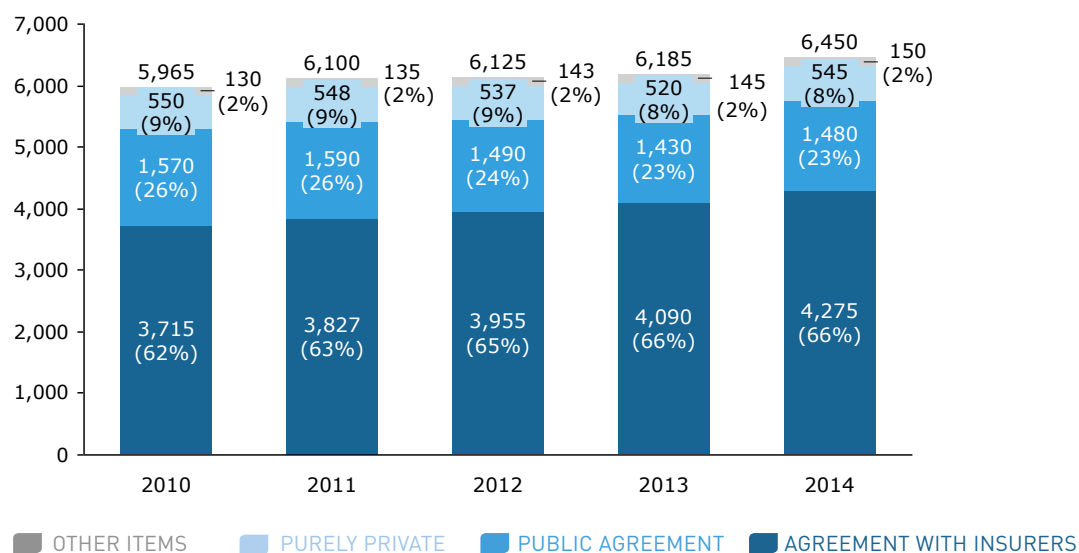


Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 34

EVOLUTION OF THE DISTRIBUTION OF THE MARKET BY PRIVATE NON-CHARITABLE HOSPITAL DEMAND SEGMENT (MILL. €), 2010-2014

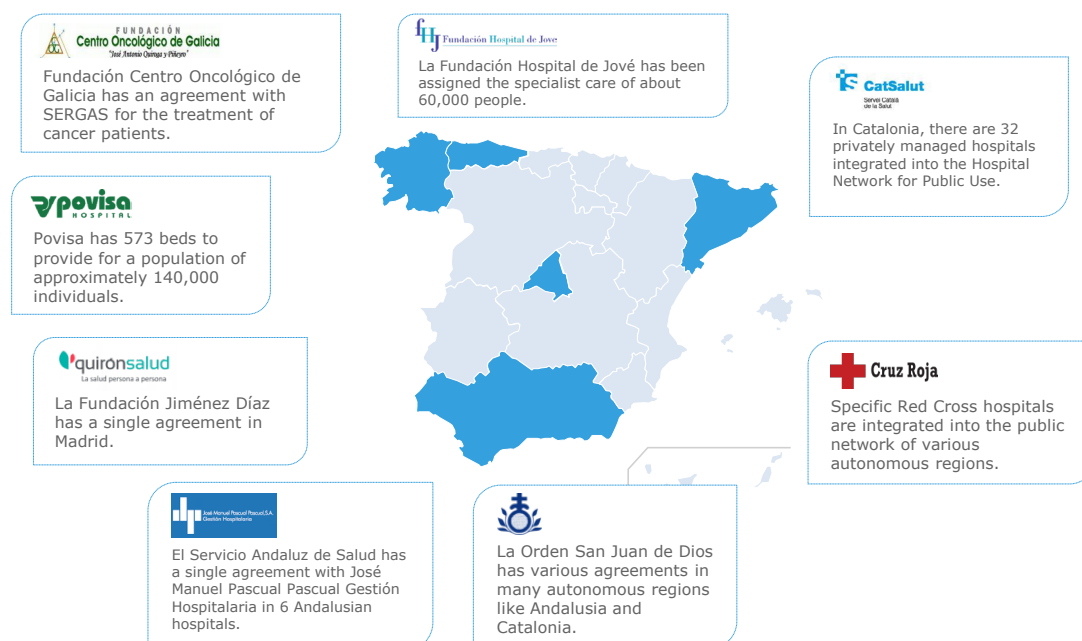
Non-charitable hospitals had a turnover of 1.48 billion euros in agreements in 2014, representing 23% of their turnover.



Source: DBK, Private Clinics Report 2015.

ILLUSTRATION 7

MAIN SINGLE AGREEMENTS, 2015

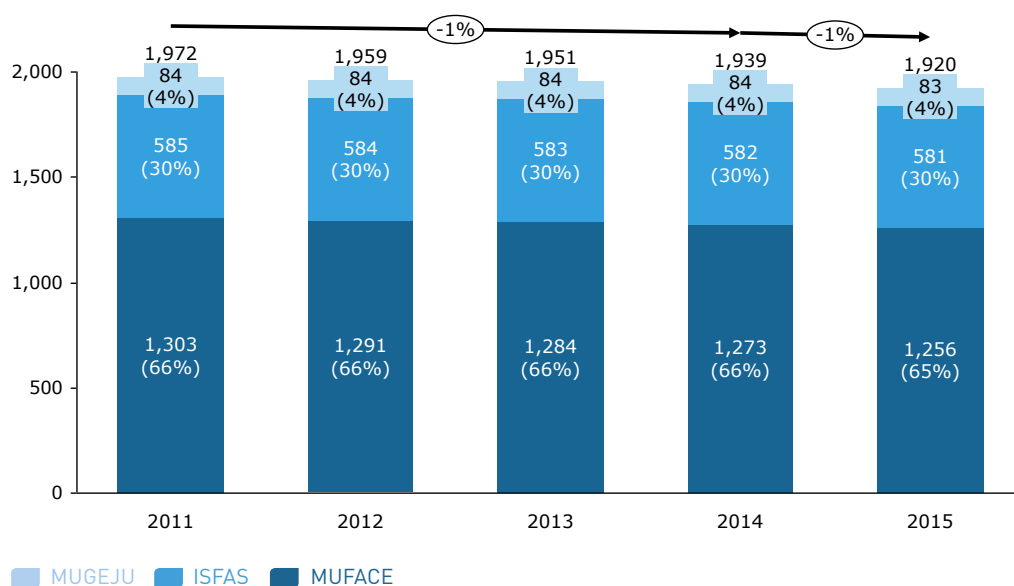


Source: prepared in-house in 2016.

GRAPH 35

EVOLUTION OF THE NUMBER OF MUTUAL SOCIETY MEMBERS (THOUSANDS), 2011-2015

The population covered by the system of administrative mutualism amounted to 1.9 million individuals

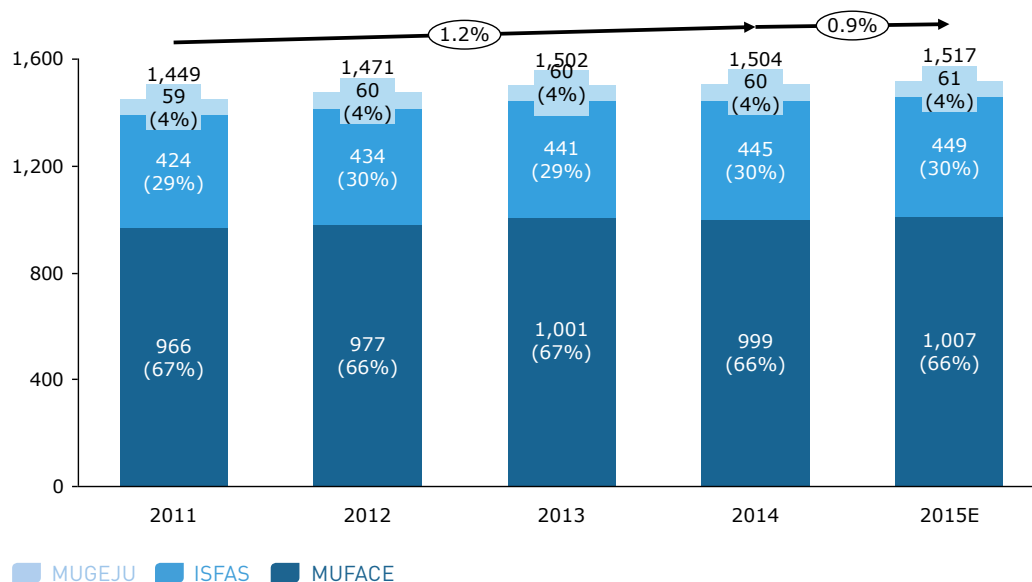


Source: ICEA, Health Insurance, 2011-2014 and January-September 2015.

GRAPH 36

EVOLUTION OF VOLUME OF PREMIUMS, (MILL. €), 2011-2015

It is estimated that the volume of premiums reached 1.517 billion euros in 2015, which would mean a slight increase of 0.9% over the previous year



*: estimated data from 2015.

Source: ICEA, Health Insurance, 2011-2014 and January-September 2015.

TABLE 10

INSURANCE COMPANIES WITH AGREEMENTS WITH MUTUAL SOCIETIES, 2016

In 2015, 7 insurance entities signed healthcare agreements with mutual societies

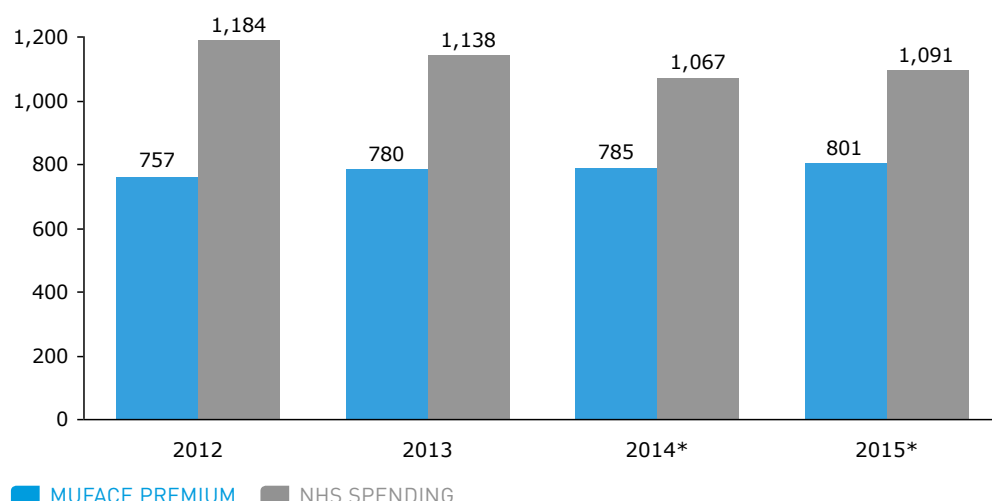
Mutual Society	SegurCaixa Adeslas	Asisa	DKV	Caser	Igualatorio Médico-Quir. Colegial	Mapfre	Sanitas
MUFACE	✓	✓	✓		✓		
ISFAS	✓	✓					
MUGEJU	✓	✓	✓	✓		✓	✓

Source: Official State Gazette (BOE), Saturday 19 December 2015 Resolution of 16 December 2015, the General Mutuality of Civil Servants; BOE, Thursday 12 November 2015, Resolution of 28 October 2015, the General Judicial Mutuality; Ministry of Defence, Agreement of the Social Institute of the Armed Forces with Insurance Entities for healthcare for ISFAS holders and beneficiaries during the years 2016 and 2017.

GRAPH 37

COMPARISON BETWEEN SPENDING PER CAPITA OF THE NATIONAL HEALTHCARE SYSTEM AND A MUFACE PREMIUM, 2012-2015

Public health spending per capita is estimated at 1,091 euros in 2015, representing a difference of 290 euros compared to a Muface premium (801 euros)

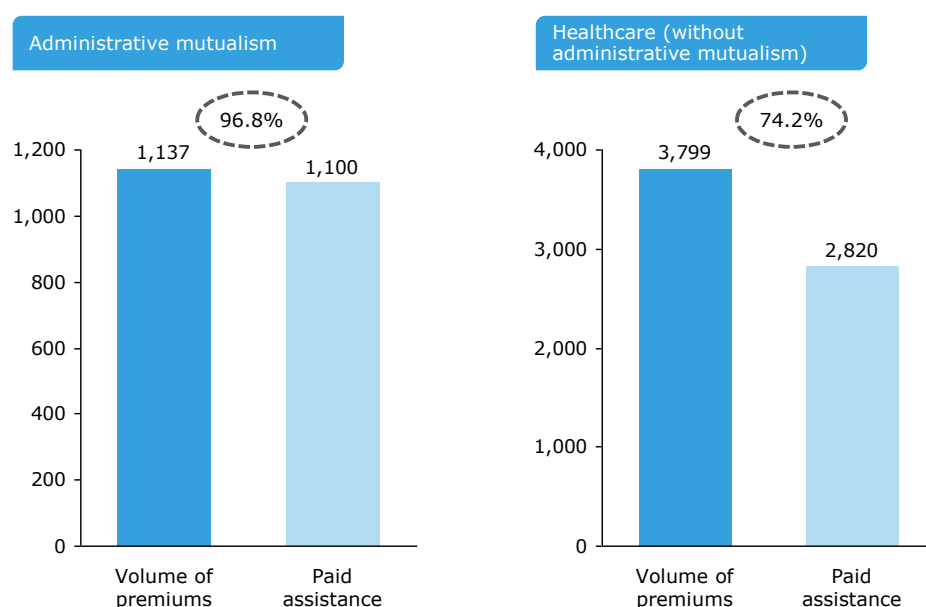


Source: prepared in-house in 2016 using data from the Ministry of Health, Social Services and Equality, initial budgets adjusted by the average deviation in 2009-2013 (7.27%); INE, Municipal Register 2015; ICEA, Health Insurance 2012-2014 and January-September 2015. Estimated public health spending does not include pharmaceutical costs or the cost of mutual health insurance for civil servants. The cost of private healthcare has been estimated based on ICEA data on the volume of benefits paid for by administrative mutualism and the number of members.

GRAPH 38

ACCIDENT RATE OF MUTUAL SOCIETIES AND THE INSURANCE SECTOR (MILL. €), SEPTEMBER 2015

Administrative mutualism recorded an accident rate of 96.8% in 2015, much higher than the healthcare insurance sector average, whose accident rate was 74.2%

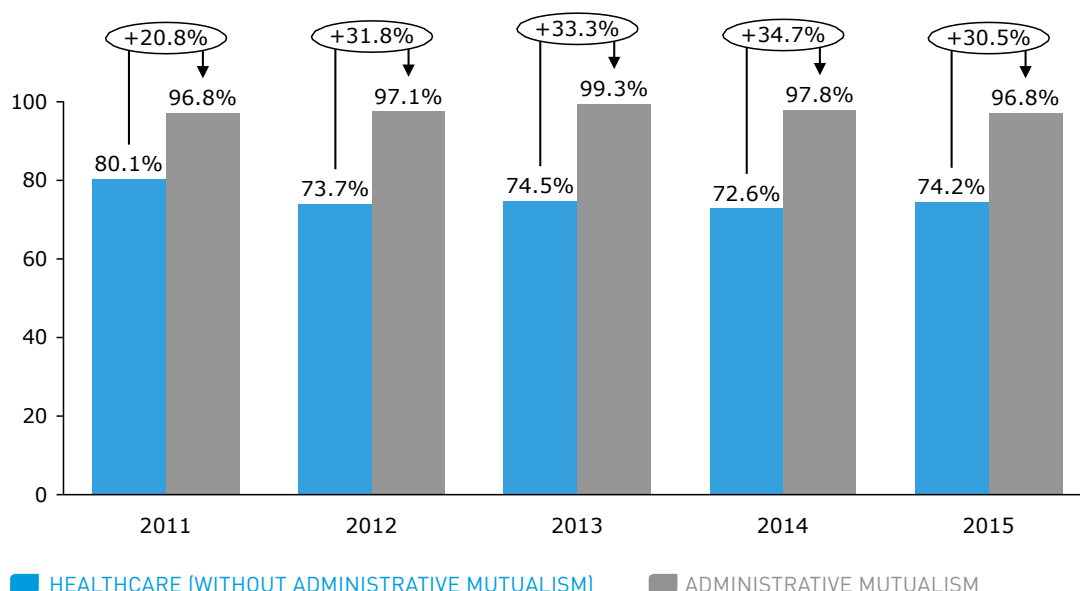


Source: ICEA, Health Insurance January-September 2015. Accident rate calculated by volume of premiums paid over the volume of premiums charged.

GRAPH 39

EVOLUTION OF THE ACCIDENT RATE OF MUTUAL SOCIETIES AND THE INSURANCE SECTOR, 2011-2015

The evolution of accident rates of mutual societies has remained at levels ranging between 96.8% and 99.3% over the last 5 years

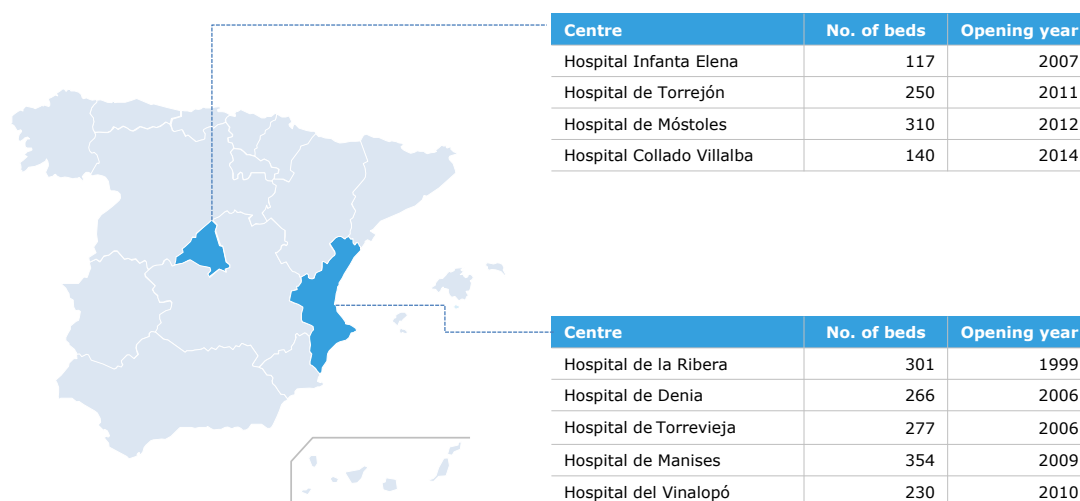


Source: ICEA, Health Insurance, 2011-2015 and January-September 2015. Accident rate calculated by volume of premiums paid over the volume of premiums charged 2015 data corresponds to the period January-September.

ILLUSTRATION 8

ADMINISTRATIVE CONCESSIONS INCLUDING HEALTHCARE MANAGEMENT, 2015

Currently there are 9 hospitals under the administrative concession model which includes healthcare management: 5 in the Region of Valencia and 4 in the Region of Madrid



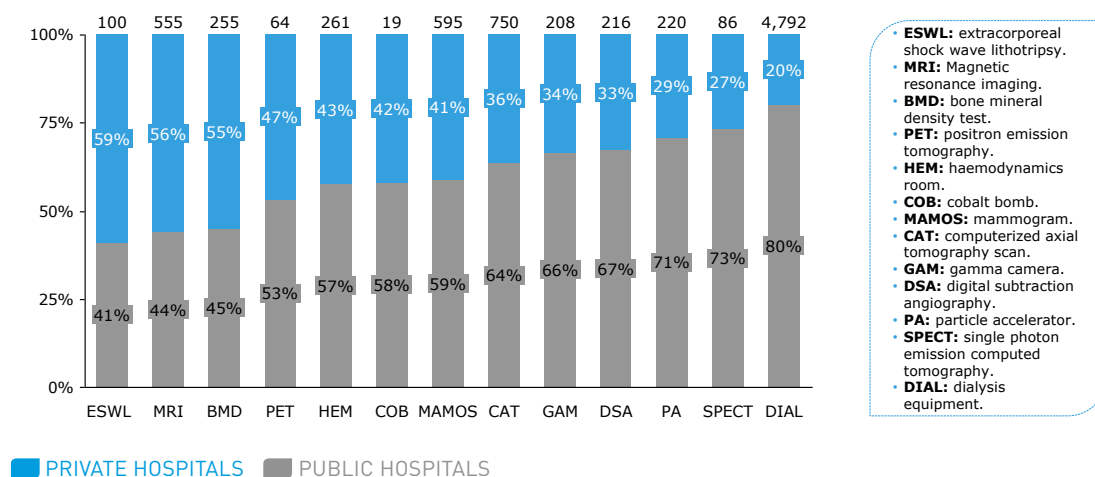
Source: prepared in-house in 2016.

2.5 Carries out highly complex activity using the most recent technological advances

GRAPH 40

HIGH-TECH EQUIPMENT IN HOSPITALS, 2014

The private hospital sector possesses 56% of MRI, 47% of PET and 36% of CAT equipment

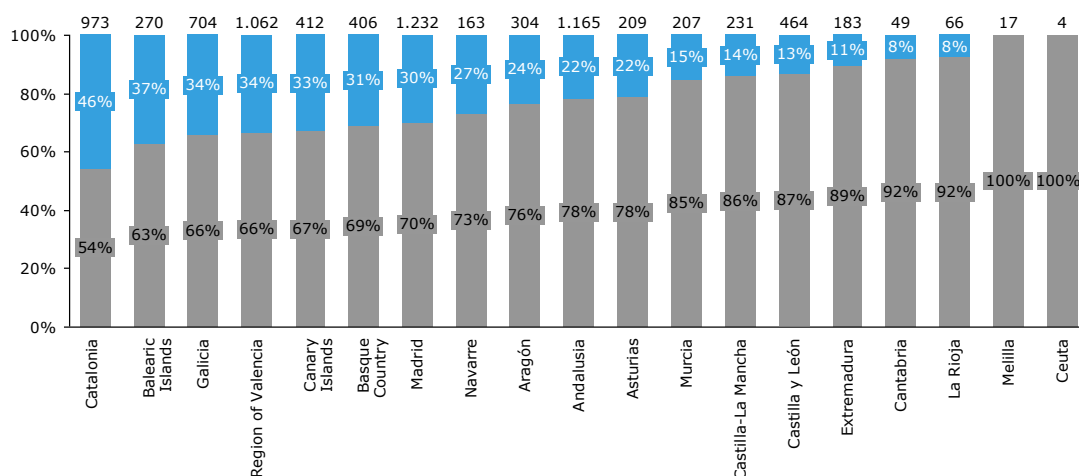


Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

GRAPH 41

HIGH-TECH EQUIPMENT IN HOSPITALS BY AUTONOMOUS REGION, 2014

Catalonia and the Balearic Islands are the autonomous regions with the highest percentage of high-tech equipment in private hospitals, while Catalonia, Madrid and Valencia have the greatest number of units



Source: Ministry of Health, Social Services and Equality, National Catalogue of Hospitals, 2015.

ILLUSTRATION 9**DIAGNOSTIC ACTIVITY IN PRIVATE HOSPITALS, 2013**

The private healthcare sector carries out 39% of MRIs, 27% of PET and PET-CT, 16% of CAT scans and 12% of SPECT

Diagnostic activity	Private	% private
MR	994,257	39%
CT	695,224	16%
PET and PET-CT	26,601	27%
SPECT	15,453	12%

Source: Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

ILLUSTRATION 10**SURGICAL ACTIVITY IN PRIVATE HOSPITALS, 2013**

Private hospitals carry out a significant volume of complex care activity

Specialisation	Private	% private
Orthopaedic Surgery and Traumatology	295,668	34.3%
General and Digestive Surgery	291,371	30.4%
Gynaecology and Obstetrics	141,310	31.5%
Ophthalmology	140,538	20.5%
Otolaryngology	57,970	26.3%
Angiology and Vascular Surgery	34,449	31.1%
Neurosurgery	22,608	33.0%
Paediatric Surgery	15,856	17.7%
Heart Surgery	8,680	20.4%
Thoracic Surgery	3,907	15.8%

Source: Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013.

2.6 Seeks to continuously improve quality healthcare

TABLE 11

RESULTS OBTAINED BY THE PRIVATE HEALTHCARE SECTOR USING SELECTED QUALITY INDICATORS, 2014

Studies such as the 2015 RESA Report demonstrate the positive trend in quality indicators in private hospitals

Indicator	Result			Reference in international literature
	2012	2013	2014	
Survival rate of patients admitted for acute coronary syndrome	96.9%	97.3%	98.3%	96.8%-98.5%
Ratio of hip replacement surgery within 48 hours after hospital admission	93.9%	90.0%	89.2%	60%
Ratio of colonoscopies performed with sedation	78.1%	90.6%	93.4%	
Ratio of gastroscopies performed with sedation	80.5%	88.8%	90.1%	
Readmission rate after outpatient surgery within 30 days	0.76%	0.65%	0.63%	1%
Rate of full-term single-child living newborns per cycle started	-	22.9%	23.1%	20-30%
Ratio of cycles resulting in pregnancy	-	31.2%	30.4%	30%

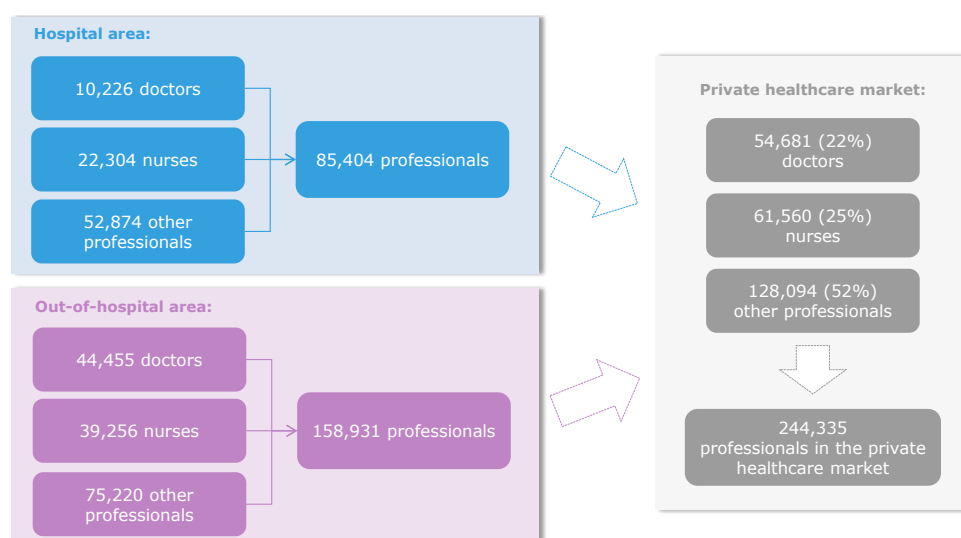
Source: IDIS, RESA Report 2015, Health Outcome Indicators in Private Healthcare.

2.7 Generates employment and helps train healthcare professionals

ILLUSTRATION 11

ESTIMATION OF PROFESSIONALS IN THE PRIVATE HEALTHCARE SECTOR, 2015

The private healthcare sector employs 244,335 professionals, of whom 35% work in a hospital setting and 65% work outside of hospitals



Source: prepared in-house using data from the Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013; and Primary Care Information System; National Statistics Institute (INE), Registered Healthcare Professionals and Central Business Directory.

TABLE 12

ESTIMATE OF PROFESSIONALS EMPLOYED IN THE PRIVATE HEALTHCARE SECTOR BY AUTONOMOUS REGION, 2015

Catalonia, Madrid and Andalusia are the autonomous regions with the greatest number of professionals in the private healthcare sector

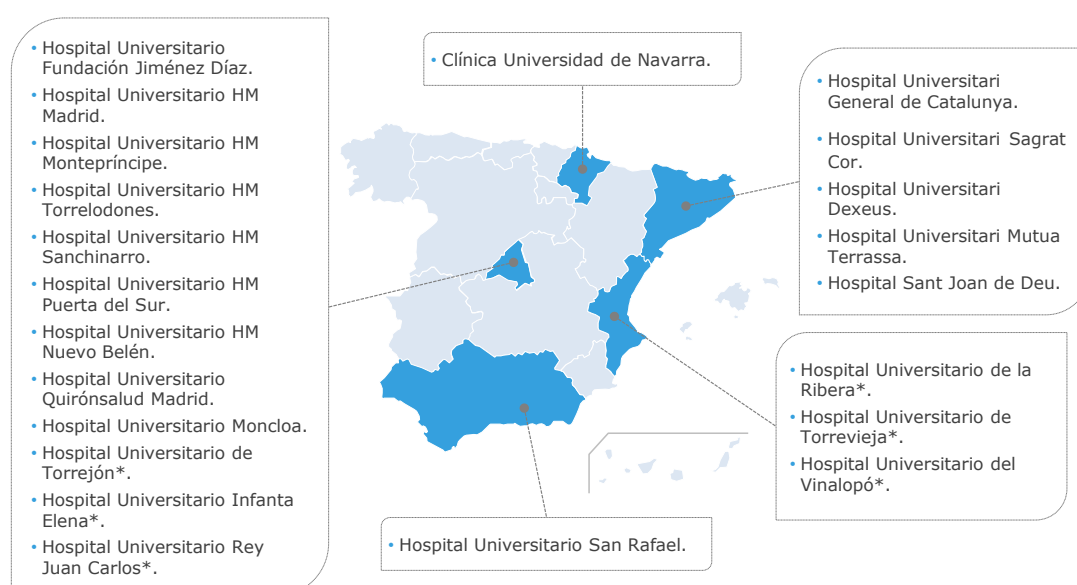
Autonomous region	Hospital area			Out-of-hospital area		
	Doctors	Nurses	Other professionals	Doctors	Nurses	Other professionals
Andalusia	6,262	7,645	16,265	1,630	3,555	8,427
Aragón	1,120	1,457	3,150	361	786	1,864
Asturias	868	1,102	2,368	259	564	1,337
Balearic Islands	1,057	1,301	2,775	283	618	1,466
Canary Islands	1,799	2,228	4,756	492	1,074	2,545
Cantabria	2,367	2,262	4,466	132	289	685
Castilla y León	3,465	3,766	7,754	543	1,185	2,810
Castilla-La Mancha	1,157	1,565	3,413	419	913	2,164
Catalonia	8,431	9,535	19,867	1,611	3,513	8,327
Region of Valencia	4,115	4,807	10,108	904	1,972	4,675
Extremadura	693	917	1,990	235	513	1,216
Galicia	3,067	3,500	7,311	610	1,330	3,152
Madrid	15,805	15,985	32,178	1,562	3,408	8,078
Murcia	1,057	1,343	2,885	315	687	1,629
Navarre	515	668	1,443	164	359	850
Basque Country	2,392	2,907	6,177	612	1,335	3,165
La Rioja	235	294	630	67	145	345
Ceuta and Melilla	275	278	558	27	59	139
Total	54,681	61,560	128,094	10,226	22,304	52,874
				85,404 professionals hospital area		
					158,738 professionals out-of-hospital area	

Source: prepared in-house using data from the Ministry of Health, Social Services and Equality, Specialised Care Centre Statistics: hospitals and outpatient centres, 2013; and Primary Care Information System; National Statistics Institute (INE), Registered Healthcare Professionals and Central Business Directory. The number of professionals in the hospital setting has been estimated based on the distribution of professionals by autonomous region, while the number of professionals working outside of hospitals has been estimated based on the distribution of the volume of healthcare company employees by autonomous region.

ILLUSTRATION 12

GEOGRAPHICAL DISTRIBUTION OF PRIVATE UNIVERSITY HOSPITALS, 2016

The private healthcare sector has 22 university hospitals



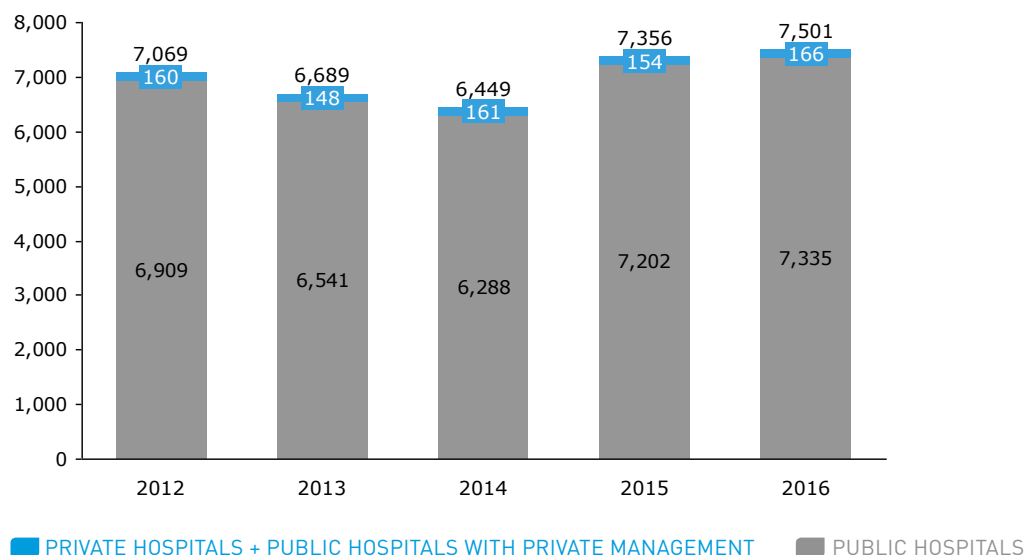
*: public hospitals with private management.

Source: prepared in-house in 2016

GRAPH 42

EVOLUTION OF THE DISTRIBUTION OF RESIDENCY SYSTEM SPECIALISED TRAINING PLACES , 2012-2016

The private hospital sector currently offers a total of 166 places for specialised healthcare training

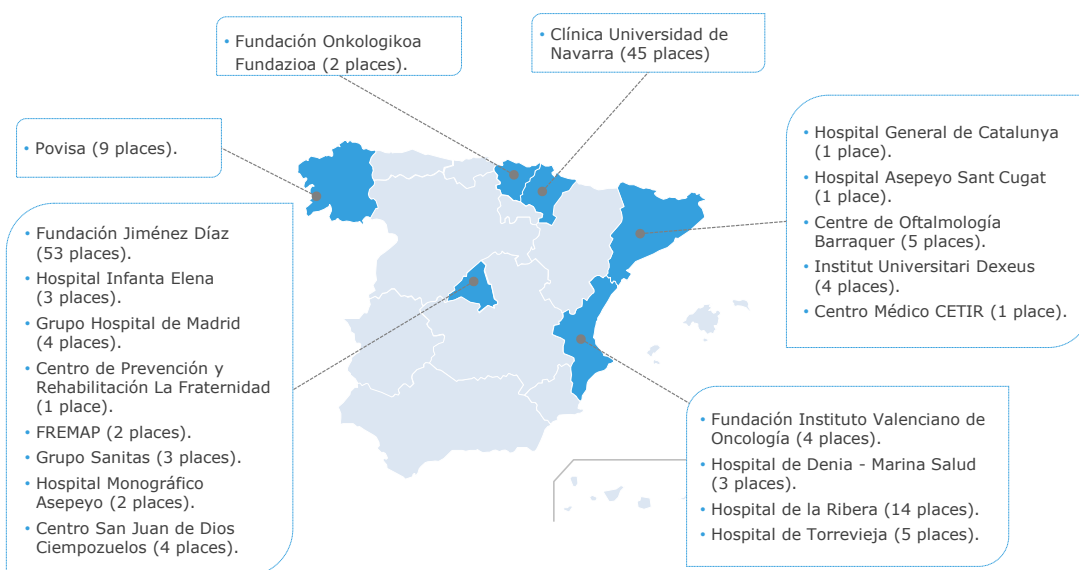


Source: Official State Gazette (BOE), Order SSI/1892/2015, of 10 September.

ILLUSTRATION 13

GEOGRAPHIC DISTRIBUTION OF RESIDENCY SYSTEM SPECIALISED HEALTHCARE TRAINING PLACES IN PRIVATE CENTRES, 2016

The private hospitals that offer specialised healthcare training places are located in 6 autonomous regions



Source: Official State Gazette (BOE), Order SSI/1892/2015, of 10 September.

TABLE 13

SPECIALISED HEALTHCARE TRAINING PLACES IN PRIVATE HEALTHCARE CENTRES, 2016

The specialisations with the greatest number of training places are Orthopaedic Surgery and Traumatology, Internal Medicine, Anaesthesiology, and Ophthalmology

Specialisation	No. places
Orthopaedic Surgery and Traumatology	16
Internal Medicine	13
Anaesthesiology	11
Ophthalmology	11
Obstetrics and Gynaecology	10
Paediatrics and Specialised areas	8
Radiology	8
Medical Oncology	6
General Surgery and of the Digestive System	5
Cardiology	4
Obstetric-Gynaecological Nursing	4
Hospital Pharmacy	4
Radiation Oncology	4
Psychiatry	4
Other specialisations	58
Total	166

Source: Official State Gazette (BOE), Order SSI/1892/2015, of 10 September.

3 IDIS IN THE SPANISH HEALTHCARE SECTOR



The Institute for Development and Integration of Healthcare (IDIS) currently holds a lot of weight in the private healthcare sector. Its members include:

- 127 hospitals representing a market share of 44% in number of hospitals and 46% in number of beds in the private hospital sector*.
 - 9 insurance companies representing a 79% market share in volume of premiums.
 - Other key players in the healthcare sector.
-

*: includes general, medical-surgical and maternity-children's hospitals.

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