

The Portuguese Healthcare System: Successes and Challenges

By Jorge Simões, President of the Portuguese Health Regulation Authority (Entidade Reguladora da Saúde)



The Portuguese healthcare system's roots go back to 1946, when the first social security law was enacted. However, it was only after the revolution of 1974 that the restructuring of health services began – a process that culminated in the establishment of the National Health Service (NHS) in 1979.

Currently, the Portuguese healthcare system is characterized by three coexisting, overlapping systems: the NHS, a universal, tax-financed system; public and private insurance schemes for certain professions (which are called health subsystems); and private voluntary health insurance. Thus, this system has a mix of public and private funding. The NHS, which provides universal coverage, is predominantly funded through

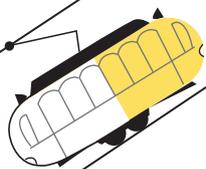
general taxation. The health subsystems, which provide healthcare coverage to between 20 and 25 percent of the population, are funded mainly through employee and employer contributions (including contributions from the state as the employer of public servants).¹ Close to 20 percent of the population is covered by private voluntary health insurance.² About 30 percent of total expenditure on healthcare is private, mainly in the form of out-of-pocket payments (both copayments and direct payments by the patient), and to a lesser extent, in the form of premiums to private insurance schemes and mutual institutions.³ Financial resources dedicated to healthcare have reached a high level relative to the country's wealth. Approximately

10 percent of the Portuguese GDP is devoted to health expenditure, which puts Portugal among the countries with the highest level of health spending within the European Union (EU) and the Organization for Economic Cooperation and Development (OECD). Since the mid-1990s, the trend in public health expenditure has been of steady and fast growth, with private expenditure remaining constant, relative to GDP.⁴

Primary Healthcare

A mix of public and private health providers delivers primary healthcare in Portugal. These include primary care clinics integrated in the NHS, which are called "health centers," private sector primary care providers (both not-for-profit and





for-profit), and professionals or groups of professionals in a liberal system with which the NHS contracts or develops cooperation agreements. Despite the public/private mix, primary care is mainly delivered in NHS health centers. Data from the 2005–2006 National Health Survey show that in 2005, only 17.1 percent of primary care consultations were delivered by private providers.

In 2009, Portugal had 186 hospitals (86 of which are of private nature) with a total capacity of 35,593 beds (26,077 in public hospitals). Almost half of the private hospitals belong to for-profit organizations.⁵ Trends in hospital numbers have been similar to those in other European countries. There has been a significant decrease in the number of public hospitals over the decades, from 634 in 1970 to 186 in 2009, and also a not-so-pronounced decrease in the number of available beds.⁶

Publicly funded long-term care is mainly delivered by not-for-profit and for-profit private providers, with which the NHS contracts. The recently formed national

Overall, the number of physicians per 1,000 population is currently above the EU average, but there is a relative scarcity of physicians. The relative number of nurses in Portugal is well below that of other countries, which implies that the ratio of nurses to physicians is also much lower than in most countries.

Administrative Management

Planning and regulation of the health system takes place at the central level by the Ministry of Health and its institutions. The management of the NHS takes place at the regional level. In each of the five regions of Portuguese mainland territory, a Regional Health Administration (RHA) that is accountable to the Ministry of Health is responsible for strategic management of population health, supervision and control of hospitals, management of primary care/NHS primary care centers, and implementation of national health policy objectives. They are also responsible for contracting services with hospitals and private sector providers for NHS patients. Financial responsibilities of RHA's are limited to primary care, since hospital budgets are defined and allocated centrally. All hospitals belonging to the NHS are under the jurisdiction of the Ministry of Health. Private sector hospitals, both not-for-profit and for-profit, have their own management arrangements. The regulation of the healthcare system in Portugal is carried out by several institutions, the most important of these being the Portuguese Health Regulation Authority (Entidade Reguladora da Saúde – ERS), the independent organization responsible for regulating the activity of healthcare providers; Infarmed, IP (the National Authority of Medicines and Health Products), which is responsible for the regulation of pharmaceuticals and medical equipment; and the professional associations (physicians, nurses, dentists, psychologists, and pharmacists), which assure professional self-regulation relating to issues of negligence and deontology.

ERS was established in 2003 and its responsibilities, organization, and functioning were restructured in 2009. Its scope of regulation includes all health-

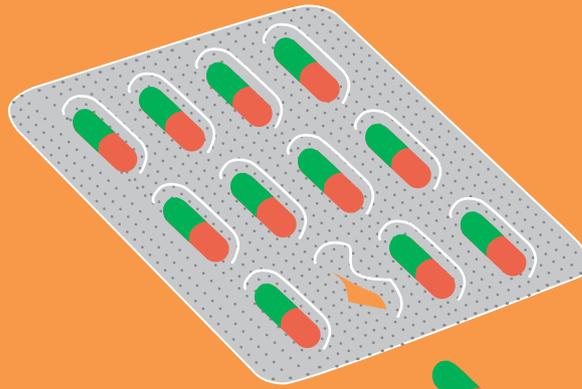
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network of integrated long-term care combines teams providing long-term care, social support and palliative care with its origins in communitarian services, covering hospitals, primary care centers, local and district social security services, and municipalities.

Health human resources in Portugal have been characterized by a higher emphasis than most other countries on specialist hospital care. In 2009, there were 166 specialist physicians for 100 non-specialist physicians (general practitioners).⁷

Number of Nurses per 10,000 Resident Population (2010):



Male Life Expectancy at Birth (2009):

76.5



Female Life Expectancy at Birth (2009):

82.6

Total Expenditure on Health per Capita (2008): US\$ 2,508

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Total Expenditure on Health as % of GDP (2008): 10.1

Government Expenditure on Health as % of Total Expenditure on Health (2008): 65.1

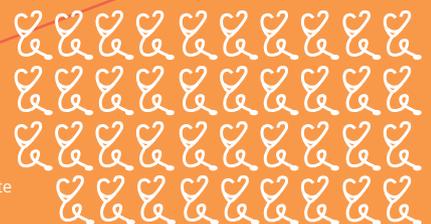
Population in Thousands (2011) 10,562¹



Number of Hospital Beds per 10,000 Resident Population (2009): 33



Number of Physician per 10,000 Population (2010): 39



Source:

¹ INE – National Statistics Institute

All other data:

OECD Health Statistics database

The National System of Health Quality Assessment – SINAS

According to its legal framework, ERS is responsible for implementing a system for assessing healthcare providers in terms of global quality of services. Additionally, as a measure to help achieve efficiency and effectiveness improvements in hospital services, the Memorandum of Understanding on the external financial assistance from the European Union (EU) and the International Monetary Fund (IMF) requires Portugal to set up a system for comparing hospital performance (benchmarking) on the basis of a comprehensive set of indicators and produce regular annual reports. To fulfill this obligation, ERS is developing the National System of Health Quality Assessment (Sistema Nacional de Avaliação em Saúde – SINAS).

The SINAS framework for assessing global quality considers several distinct dimensions of quality. This framework is specifically implemented and adapted to the assessment of different types of healthcare providers (the SINAS modules). The results of the assessments produced within SINAS are presented to the public in the form of ratings of the assessed providers. With such assessments, ERS intends not only to inform patients about the quality of healthcare services, but also to encourage continuous improvement in the quality of these services.

The SINAS module applied to hospitals (SINAS@Hospitais) assesses hospitals in five quality dimensions: Clinical Excellence, Patient Safety, Adequacy and Comfort of Facilities, Patient Satisfaction, and Patient Focus. At the present time, SINAS@Hospitais involves 73 hospitals

(43 public, 20 private for-profit, and 10 private not-for-profit). It should be noted that the inclusion of providers in the project is voluntary.

The first ratings of Clinical Excellence – which covers procedures in the areas of orthopaedics, gynecology, obstetrics, pediatrics, acute myocardial infarction, stroke, and ambulatory surgery – were published on the website www.websinas.com in September 2010. The model of assessment of Clinical Excellence was developed and implemented for ERS by a consortium between Siemens and the Joint Commission International (JCI).

For each clinical area, assessment of Clinical Excellence is based on a comprehensive set of JCI performance measures, adjusted to the Portuguese healthcare setting, thereby complying with the highest international standards. Complex and robust statistical models were developed for estimating a rating for each hospital and each clinical area, assessing compliance with clinical guidelines and expected outcomes. Both outcome and process measures were included, focusing simultaneously on a patient's health status and the process of care.

A key value of the SINAS project is the belief that healthcare quality assessment strongly contributes to improving efficiency in the delivery of care, while simultaneously increasing transparency. With SINAS, ERS aims to induce an unprecedented change in the way hospital managers, health professionals, and healthcare users think about the quality of healthcare in Portugal.

care providers located in the mainland territory of Portugal – whether of public, private-for-profit and not-for-profit ownership, and regardless of their individual or collective nature. As an independent regulator, the intervention of ERS is focused mainly on safeguarding the interests of healthcare users. Such independence, both from the government and from healthcare providers, allows for (i) separation between health policy

and healthcare regulation, (ii) separation between healthcare regulation and healthcare provision, (iii) regulation of the entire sector, (iv) independence from interest groups, and (v) public confidence.

Future Outlook

The recent past has been characterized by the introduction of a number of reform initiatives. There are broadly five different

areas of intervention that have been under the spotlight: health promotion, long-term care, primary and ambulatory care, hospital management and inpatient care, and the pharmaceutical market. The sequence of the several reforms is far from being coherent, due to changes in the Portuguese government, but the most difficult challenge felt by the successive administrations in terms of health policy has been to impose cost-control measures, which (almost) consensually are considered indispensable to assure the sustainability of the NHS in the years to come.

Since the beginning of the global financial turmoil in 2007, the Portuguese financial and economic situation has deteriorated greatly. This culminated in Portugal asking for the external financial assistance of the European Union and the International Monetary Fund (IMF), which occurred in May 2011. The disbursements of the assistance are subject to the compliance with a number of economic policy conditions that were agreed to by the Portuguese government, the European Commission, the European Central Bank, and the IMF, and are detailed

in a Memorandum of Understanding. As part of this Memorandum, Portugal will have to make significant budget cuts and undergo structural reforms in several areas in the years to come. The chapter dedicated to the healthcare system is one of the most ambitious: In general terms, the objectives are to improve efficiency and effectiveness in the healthcare system, inducing a more rational use of services and control of expenditures, and to generate additional savings in the areas of pharmaceuticals and hospital operating costs. And with that, the Portuguese healthcare system faces difficult challenges in the near future.

¹ Barros P., Machado S., Simões J., 2011, Portugal: Health system review, Health Systems in Transition, 13(4):1–156.

² APS (Portuguese Insurers Association), 2009, Health Insurance Statistics, Lisbon.

³ INE (National Statistics Institute), 2010, Health Satellite Account 2000-2008, Lisbon.

⁴ OECD, 2011, OECD Health Data: Health expenditure and financing, OECD Health Statistics database.

⁵ OECD, 2011, OECD Health Data: Health care resources, OECD Health Statistics database.

⁶ Campos A.C., Simões J., 2011, O Percurso da Saúde: Portugal na Europa, Almedina, Lisbon.

⁷ INE (National Statistics Institute), 2010, Statistical Yearbook of Portugal 2009, Lisbon.

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Jorge Simões is the current President of the Portuguese Health Regulation Authority (Entidade Reguladora da Saúde). He holds a PhD in Health Sciences and is currently a professor at several Portuguese Universities, such as the University of Aveiro, the University of Coimbra, the Portuguese Catholic University, the University of Minho, and the Institute of Hygiene and Tropical Medicine at the University “Nova” of Lisbon. In 2009 and 2010, he coordinated the new Portuguese National Health Plan for 2011-2016. In 2008 and 2009, he coordinated the working group that performed the strategic review of the process of creation of public-private partnerships in hospitals, and in 2006 and 2007 he was the Chairman of the Committee for the Financial Sustainability of National Health Service, both projects being commissioned by the Ministry of Health. He has published four books, coordinated the editing of six other books, published eighteen book chapters and dozens of essays in journals. Between 1996 and 2006, he served as direct advisor to President Jorge Sampaio on health matters. In 2006, he was honored by the President of the Republic with the Grand Cross of the Infante D. Henrique Order.