

Putting people at the heart of an accessible high-quality healthcare system!

Health and Wellbeing Committee

Committee position paper

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AmCham Slovenia
**HEALTH
& WELLBEING
COMMITTEE**

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Introduction

The Health and Wellbeing Committee at AmCham (hereafter referred to as the Health Committee) has been active since 2015 and includes more than 60 experts who are representatives of Slovenian and international companies. With our knowledge and concrete solutions, we want to actively contribute to greater and better access to health services.

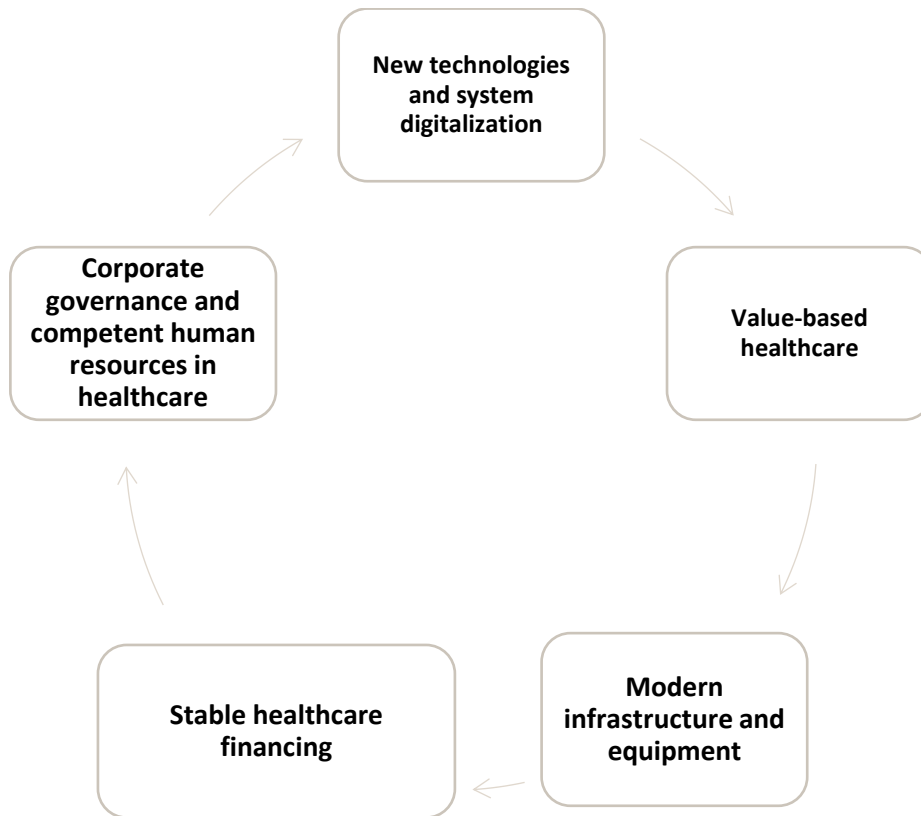
Since 2015, the members of the Health Committee have been advocating for solutions that put the patient at the center of healthcare, providing coordinated and comprehensive care based on relevant and harmonized clinical data. We are aware that healthcare is a regulated industry, **and we support:**

- **public healthcare**, which involves a network of providers in state-run or contractual health facilities, which are an established form of public-private partnership;
- an on-going debate **on changing the public hospital network** by proposing the specialization of regional hospitals and the introduction of so-called specialist hospitals;
- **the autonomous management of hospitals**, as well as the introduction of legal and organizational changes that would enable corporate governance and modern hospital leadership with clear responsibilities and powers;
- aside from proposing that we raise citizens' awareness of health protection, we want to stress the importance of **regulating healthcare financing through measures that do not increase the burden** on the economy **and result in reduced competitiveness**;
- value-based healthcare with rapid adoption of innovative diagnostic, therapeutic and treatment processes.

The pandemic has exposed a worn-out and inadequate infrastructure, unreliable waiting lists and staffing problems, while highlighting an even greater need for new, modern therapeutic methods that would allow for optimal treatment outcomes.

Slovenia is facing an alarming demographic situation – this will affect Slovenia's competitiveness and the structure of GDP, which is a key source of financing for healthcare under the current system. Changes need to be well thought out and adopted in cooperation and agreement with all stakeholders. The Health Committee is committed to constructive dialogue, and we want the healthcare system to be accessible, efficient and of high quality for all Slovenian citizens.

The accessibility of the healthcare system is based on five pillars:



1. Positive and long-term effects of increased access to healthcare services through digital technologies

The COVID-19 pandemic has contributed significantly to the rise of digital healthcare. It underlined the importance of quality data and its benefits for forecasting based on epidemiological research, machine learning and artificial intelligence systems. Digital technologies have also proven to be essential in battling the pandemic.

Telemedicine has improved accessibility, increased the efficiency of diagnostics and treatment, and contributed to different and new ways of collaboration between healthcare professionals and patients. The use of digital technologies in healthcare is a strategic priority for the EU¹ and WHO². Even before the pandemic, it was identified as a key area for the development of public healthcare.

In addition to cancer patients, patients with chronic diseases are particularly vulnerable to the impact of the pandemic, as they suffer from the progression of their chronic disease and related complications, which may even result in premature death. The reason for this is the increasing difficulty in accessing healthcare services in recent years due to the limited capacities of the healthcare system. Ensuring adequate financing for telemedicine treatment of chronic diseases would provide chronic patients with immediate access to healthcare services and allow for effective management of their disease.

There is a wealth of knowledge in Slovenia's tech-innovative environment. We propose to set up a pilot project for a digital hospital. Newly established or redesigned processes and the use of the latest digital information technologies would ensure increased efficiency and quality by enabling a better use of all patient care resources. As a pilot project, the digital hospital would allow for a gradual but planned roll-out of a system with access to a wide range of knowledge. It would also enable staff training and education, the integration of all e-health systems that provide information through web-based tools, as well as better disease management, remote monitoring and surveillance, and telemedicine services. This would increase the reach of the institution's limited healthcare resources and interdisciplinary expertise. Capacity would be increased through faster and safer patient treatment, and costs kept under control through more efficient processes. The governance and management of the pilot hospital would be highly transparent, as well as more cost- and quality-efficient. This complex ecosystem with hundreds of clinical and business processes would bring together patients, clinical staff, the management team, resources and information, enabling adequate, timely and optimal healthcare through proper process integration.

Proposed solution:

The **pilot project for a digital hospital** and the preparations for the project should be carried out in several phases. The initial phase is certainly linked to the redesign of work processes. Digitalization allows for optimization, unlocks a new way of work, and facilitates the upgrade of certain administrative and diagnostic processes. This would be followed by a software overhaul and up-to-date computer equipment. The digitalization of processes should not be seen as extra work, but rather a helping hand that allows extra time for patient treatment. Employee training on digitalized processes is therefore crucial. The long-term and positive effects of the digital hospital pilot project include:

1. the adoption of hospital standards and operability, enabling wide-ranging improvements in healthcare access, as well as the higher **quality, safety and sustainability of health data**, while improving the efficiency and **quality of patient care**;

¹ [eHealth – Technology for health – Think Tank \(europa.eu\)](https://ec.europa.eu/ehealth/ehealth-technology-for-health-think-tank).

² [Thirteenth General Programme of Work \(GPW13\) Methods for impact measurement \(who.int\)](https://www.who.int/publications/m/item/thirteenth-general-programme-of-work-gpw13-methods-for-impact-measurement).

2. increased satisfaction among patients, healthcare professionals, and healthcare providers;
3. **a reduced number of medical errors;**
4. a reduction in **hospital admissions and readmissions;**
5. **automation of clinical and administrative processes** that would improve peer-to-peer exchanges and collaboration. Processes should bring together patients, healthcare professionals, resources and information across hospitals (e.g. a single electronic health record);
6. achieving flexible and **integrated use of IT** as a fundamental building block in the demands for greater interoperability, safety, **accessibility, productivity and flexibility of patient care;**
7. making the adoption of new technologies faster and easier for healthcare professionals with user-friendly and simple solutions. Defining the **role and responsibility of leadership** in the coordination and collaboration of all the involved stakeholders (hospital, community, partners), processes, technologies, and architecture of the digital hospital;
8. increased **operational efficiency** and reduced **capital expenditure** in the healthcare system;
9. providing patients with access to their health data (e.g. via mobile phones or tablets) and the advice they need to get well more quickly.

2. Patient-centered treatment outcomes as the main motivation for the introduction of value-based healthcare

Healthcare systems are struggling with unsustainable cost increases and varying treatment outcomes. Traditionally, healthcare has been provided and paid for largely on the basis of a general fee-for-service arrangement, whereby healthcare providers are compensated for the services or procedures they provide. This way, unfortunately, medical interventions and therapies do not necessarily bring the most beneficial outcomes for patients.

The main motives for the change toward value-based healthcare include:

- lack of correlation between healthcare spending and treatment outcomes, which include the important aspect of value for the patient throughout and after treatment;
- non-standardized monitoring of treatment outcomes;
- lagging behind other European countries in access to modern therapies and innovative drugs;
- the inefficiency of traditional models of healthcare;
- the unsustainable high costs of the healthcare system.

The goal should be for healthcare to shift its focus from curing disease to actually addressing patient needs and focusing on prevention. **Payment for services should be based on the treatment outcomes that are important to the patient, not on the quantity of healthcare services provided.** Value-based healthcare is defined as an approach to healthcare provision that focuses on those treatment outcomes that are actually the most important to the patient throughout the care cycle. At the same time, it optimizes the use of resources and costs associated with the provision of healthcare.³ A clear improvement for patients entails the promotion of mechanisms that facilitate change and enable us to rethink the way healthcare is provided and delivered. When implemented in the right way, value-based healthcare benefits patients and helps optimize the performance and costs of the healthcare system and other government subsystems. **Focusing on treatment outcomes must be a key driver in value-based healthcare.**

Costs should cover all spending related to the provision of healthcare: all direct costs related to patient treatment and spending related to care before and after the actual start of treatment. Improved treatment outcomes, which are enabled by a value-based healthcare model, can also reduce the need for additional healthcare. By increasing personalized medicine, the right form of care for the patient could be identified at the right time, allowing for more effective treatment. This would also lead to budgetary savings in healthcare.

One part of the patient-centered approach is also the quality of healthcare providers and the services provided. Quality assurance in healthcare is based on the collaboration of professionals with multidisciplinary skills, the promotion of teamwork, and connecting healthcare professionals with patients. This results in professionally verifiable and effective treatment with demonstrable outputs and outcomes. Quality healthcare is made up of people and well-designed healthcare processes. An equal involvement of strategically important partners in healthcare – i.e. patients and their families, healthcare providers, the government, and payers – with appropriately shared responsibilities is essential for developmental quality monitoring. The system should meet the expectations of patients, society and healthcare providers. Quality and safety management systems must be designed in a coordinated way at all levels of healthcare provision. The key to successful quality improvement are the direct

³ It is important not to equate value-based healthcare with simply reducing the costs of healthcare or with quality measures, based solely on improving clinical outcomes.

providers, i.e. the medical staff. In order to establish and maintain systems that will improve the quality of treatment and patient safety, healthcare stakeholders must work closely together and in a sustainable way.

Although specific quality indicators have been introduced in the Slovenian healthcare system (e.g. measuring the quality of drug prescribing by general practitioners), measuring the performance of healthcare providers on the basis of selected key performance indicators (KPIs) and quality indicators (QIs) of the services provided has not yet been implemented. The performance indicator system is made up of three systems:

- 1) the data integration system;
- 2) the data cleansing system;
- 3) the data display and analysis system.

Data and analyses on the performance of individual providers are crucial for decision-makers and managers in the healthcare system and, of course, for those paying for healthcare services. Quality indicators are also crucial for patients, as they allow them to make better decisions about who to trust with their health. The results of the analyses of quality indicators should therefore be accessible to everyone. Many results of analyses of health service quality indicators depend on the frequency of provision (e.g. the number of operations performed annually), i.e. on the competence and training of doctors and other staff.

Drug accessibility is a key priority for the European regulatory network for drugs and the pharmaceutical industry, as well as an important EU policy. This year's iteration of the Patients W.A.I.T. (Waiting for Access to Innovative Therapies) study showed, based on several indicators, that Slovenia should be much more ambitious in terms of access to modern therapies and innovative drugs. The data shows that fewer than 50% of all drugs registered by the EMA in the last three years are available in Slovenia (compared to 96% in Germany), and that it takes 577 days for a new drug to be listed in Slovenia (compared to 132 days in Germany), which defines Slovenia as a "second-wave country."

Rapid access to innovative drugs is a key tool in fighting long-term chronic diseases and prolonged sickness, which indirectly drain the economy. We propose that modern innovative treatments are made available to all citizens by simplifying administrative procedures and making drugs more readily accessible. Making these steps does not require huge measures, but it would do a lot for society as a whole in the long term.

Proposed solutions:

1. We support the **Ministry of Health's initiative** to work together with all stakeholders (patients, healthcare providers, payers of healthcare services, decision-makers, and suppliers) in the healthcare system **to introduce value-based healthcare**.
2. We support the **establishment of a body that would manage and support the monitoring and development of quality** and safety in the health system.
3. **We support the introduction of performance and quality indicators**, which should become the basis and one of the criteria for paying healthcare providers. Qualitative analysis requires data from a variety of sources, including: a single electronic health record, images (X-ray, CT, etc.), financial data, referrals, discharge letters, prescriptions, etc..
4. **We propose a system that would integrate the performance indicators of the following data sets⁴:**
 - analysis of clinical data on quality indicators (success of surgical procedures, treatment of chronic diseases, success of selected drugs, etc.);
 - financial performance analysis;
 - analysis of operational efficiency (bed occupancy, staff efficiency, laboratory efficiency, etc.);
 - monitoring compliance with the applicable legislation.
5. We propose a faster and more efficient integration of new innovative drugs and healthcare solutions into the Slovenian healthcare system to treat patients more effectively, to enable them to return to living an active life sooner, and to optimize the resources spent.

⁴ Source: A study by the Institute for Economic Research (<http://www.zav-zdruzenje.si/zdravstvena-reforma/>).

3. Public-private partnerships can help with the renovation and financing of modern hospital facilities and equipment and ensure the availability of modern therapeutic technologies.

A Public-Private Partnership (hereinafter referred to as PPP) is a business model entered into by both a public healthcare institution and a private company that enables an investment in the public healthcare system. The model addresses the planning, construction, financing and management of a healthcare project. Usually, it is an investment in the healthcare infrastructure, such as a hospital or state-of-the-art medical equipment. A key advantage of the PPP model is the optimal sharing of project risks between the public and private partners, with each partner taking on the area of risk they can better manage.

Risk management in this context: Modern ways of patient treatment increasingly involve interdisciplinary skills. In addition to a broad medical knowledge, there is a growing need for complementary knowledge of natural sciences, engineering, technology and the humanities. As the development of medical treatments is associated with large financial investments, business and investment management skills and experience in applying advanced business practices are also becoming increasingly important. This very broad range of interdisciplinary knowledge is difficult to provide within the current collective of healthcare institutions, so the PPP business model is an appropriate way to combine advanced medical treatment expertise with efficient business management methods.

It therefore makes sense for a private partner to bring experience in investment management, i.e. planning, building, managing and financing the healthcare infrastructure, while the public partner provides comprehensive patient care at the highest professional level.

Experience from abroad shows that PPP projects are more successful precisely because of the appropriate risk sharing between partners and the broader use of different expertise. Such projects are thus more development-oriented, involve more advanced treatment methods, and are more cost-effective. The PPP model brings both financial and non-financial benefits for the public sector, as private companies can access advanced technologies more quickly due to easier access to financing.

The construction of healthcare infrastructure is financially very demanding, and expertise is advancing rapidly; hence, technical innovations and needs are a constant that the public healthcare system finds difficult to keep up with. Government departments, hospitals and the public are well aware of the need to provide Slovenian patients with the best available technologies to make their treatment more effective (value-based treatment), while at the same time being aware of the need to be very efficient and careful with the budgetary restraints of the healthcare system. It is precisely the PPP model that can solve this dilemma by bringing together the interests of public healthcare, patients and responsible private companies.

Proposed solutions:

1. Preparation of **an education program on the PPP model** and its advantages and disadvantages for key decision-makers in public healthcare (CEOs of hospitals, institutions, agencies, etc.). A very clear line needs to be drawn and a distinction made between public procurement and PPP.
2. Supporting a **pilot project using the PPP model** to build one healthcare project:

- in the preparation of the pilot project, an appropriate expert advisory group should be set up to monitor the development of the project, comprising representatives of the professional public, key NGOs, the authorities, and the business community.
3. Preparation of a pipeline of **potential healthcare projects** that can be implemented in Slovenia by means of the PPP model. For projects worth more than €10 million, a mandatory PPP test should be introduced – i.e. for larger projects, a feasibility study should be carried out – and of course, if approved, an investor should be sought to ensure that neither the Slovenian budget nor other funds (EU grants, cohesion funds, etc.) are used;
 4. Establishing and preparing a list of Slovenian private companies interested in **participating in the modernization of** Slovenia's healthcare infrastructure using the PPP model.

4. Out-of-pocket payment does not promote solidarity, and voluntary insurance schemes are an important solution to financing the healthcare system

A financing reform of the public healthcare system in the Republic of Slovenia is an urgent priority as it is linked to healthcare access. There is a major risk to public health, which is largely financed by compulsory health insurance contributions and supplementary health insurance premiums. The Organisation for Economic Co-operation and Development and the European Commission stress the need for financial sustainability of the public healthcare system and warn Slovenia that without additional financial resources and changes in expenditure, public healthcare will no longer be sustainable in the long term. In the wake of the COVID-19 pandemic, WHO notes and advises governments to urgently engage with non-institutional partners and insurers in healthcare reforms to co-design sustainable solutions. In the light of demographic trends, the increasing number of chronic patients, advancements in medical and pharmaceutical science, the increasing awareness and sophistication of the population, and the increasing possibilities of treating various medical conditions and the associated rise in costs, financing of the health system cannot be addressed by abolishing supplementary health insurance and replacing the shortfall in these funds with new fees or taxes.

An important European Union health policy is the target for each member state to spend at least 10% of its GDP on healthcare. The 8.3% of Slovenia's GDP allocated to healthcare in 2022 was financed from public and private sources. Of this, 72% is public funding, mainly from compulsory health insurance. Compulsory health insurance covers a wide range of services; however, it only covers 100% of the price of a very narrow range of healthcare services. This means that we have to pay extra for most healthcare services, which is why Slovenia has developed a supplementary insurance system, which includes 95% of those who pay for compulsory health insurance. This insurance covers co-payments, which can be very high for more expensive services, as they are set as a percentage. Thus, we have a historically complementary relationship between compulsory and supplementary health insurance, which is a hot topic of debate in the reform of every healthcare system. Demographics, the rising burden of chronic and lifestyle diseases, and rapid technological advances in healthcare can be expected to increase healthcare spending in the future. There is also concern about inadequate disease management, which leads not only to direct health costs, but also to indirect costs in terms of lost productivity due to absenteeism, presenteeism, caregiving by family members, patients dropping out of the labor market, early retirement, and premature death. Abolishing supplementary health insurance alone is therefore not a solution. Given the limitations of GDP, the system is in need of systemic reform.

We support a change in the financing of the public healthcare system, so that sources other than GDP are sought through the creation of differentiated sets of benefits. This decision should be based on credible macroeconomic studies and analyses. The additional burden on the working population, which will be smaller with the fertility deficit, is not favorable for future generations. For instance, as one study by the Institute for Economic Research has shown, abolishing supplementary health insurance, and transferring it to compulsory health insurance would significantly reduce the sustainability of healthcare financing and lead to a serious financial deficit in the healthcare system. This is not the right way to go. Any greater burden on the working population also reduces the competitiveness of the Slovenian economy, with significant and long-term multiplier effects.

New forms of non-tax healthcare financing, if introduced thoughtfully, could largely preserve unity. Systemic solutions and the introduction of various forms of individual and collective voluntary health insurance would also relieve the burden on people. In the long term, the worrying rise of out-of-pocket payment, which creates a parallel market-based healthcare system, means that only those who can pay for healthcare would be able to afford it.

Proposed solutions:

1. **The solution can be voluntary individual and collective health insurance.**
2. Following the example of pension insurance, we support a **tax relief for collective health insurance**. There are several advantages to this approach: the insurance would meet the needs of people who are actively at work, employers could include whole teams or all employees in such insurance schemes and, most importantly, the tax incentive would help employers manage absenteeism and help employees to recover and return to work and active life more quickly.
3. All stakeholders working in and shaping the healthcare system should be **involved in the dialogue** as the system changes. Health reform requires **complex interdisciplinary knowledge** that goes beyond the regulator. The pandemic has shown the system's vulnerability in a very disruptive way.
4. We support the **implementation of a public program by a wide range of operators**, regardless of ownership. It can be carried out by state-owned (public), private-sector (concession holder) or private operators who are part of the network of providers. Regardless of ownership, they all implement the public program defined by the Ministry of Health and the Health Insurance Institute of Slovenia. This also makes private concession holders the provider of healthcare services, who carry out the public program and are part of public healthcare services. This improves both the transparency of payments, where money follows the patient, and access to healthcare services.
5. **Redefining the health basket and identifying the sources of its financing** are part of a long-term sustainable health system. The growing needs and the volume of available resources require periodic adjustments to the size of the basket. Compulsory health insurance covers mainly those healthcare services that society offers as a basic standard of care.
6. **Encouraging citizens to take responsibility for their own health, in conjunction with prevention programs**, also plays an important role: 90% of premature deaths in the EU are the result of poor systemic care in the area of prevention. Public health approaches show that harm reduction measures are the right way to go as they promote alternative, scientifically proven approaches or products to replace harmful lifestyle choices with less harmful ones. The principle of harm reduction is a motivation for healthier lifestyles and has already been proven to work in the field of non-communicable chronic diseases (diabetes, smoking, sunbathing, etc.). **COVID-19 vaccination is also an example of the principle of harm reduction**. It is important to **encourage society to respect scientific facts**, ensure access to the right information and respect people's right to be informed.

5. Targeted management in healthcare

The key challenge for the governance and management of hospitals and all healthcare providers is the legal system, which does not allow for the introduction of modern business models. The formal legal regime, which is conditional on the status of a public institution, is rigid and inadequate to meet the challenges and needs of modern society. The current situation is preventing initiative, flexibility, the recruitment of staff, adaptation to the individual organization, as well as changes driven by local characteristics and forecasting of population health trends. Above all, it fails to reward and motivate both management and healthcare professionals. Such a regulation also constrains the medical profession and, of course, disadvantages patients who do not receive optimal care.

Another important governance challenge is quality.

The quality system of healthcare providers is also linked to systems for tracking costs per patient from a management perspective. These costs are crucial for the management to properly measure the performance of healthcare institutions, to calculate reimbursement from insurers for individual services and to aggregate all data at a national level, analyze it and make it accessible to all stakeholders in the healthcare sector so that they can make evidence-based decisions. In the countries of Western Europe, patient-level cost monitoring is legally mandated, and parameters are set for individual healthcare institutions to monitor and report on a monthly basis.

The third challenge relates to the expectations of all stakeholders in the healthcare system – from patients to service providers and payers: their expectations are justifiably rising. The focus of management should be not only on the number of services provided, but also on efficiency and quality, which are linked to the satisfaction of patients and employees. This requires constant change in the organization of healthcare work and processes. Optimizing the organization, having well-defined processes and lean management of healthcare providers are just some of the aspects of governance that influence the overall patient experience. With all business and clinical processes centered around the patient and their experience, people will be at the heart of the system. Only then will the system be able to run sustainably, affordably, and cohesively.

Proposed solutions:

1. We support **increased management autonomy**: greater personal power and responsibility for the CEO, the introduction of corporate governance elements in the healthcare system, as well as full accountability and professionalism of supervisory boards. It is vital to change the legislation.
2. We support **legal and organizational changes** to the formal and legal status of healthcare providers in the public system.
3. We support the **introduction of mandatory training and mentoring for the management of public institutions** and the transfer of good practices, clear management, and shared service objectives, as well as modern working patterns, including job rotation.
4. We support legislative and implementation **measures aimed at reforming the remuneration system for healthcare professionals**. Doctors and other health professionals should be rewarded based on their results, efficiency, and quality of work.
5. Healthcare **must be seen as a regulated industry**, presenting an opportunity for networking and development for all those working in the system, including private initiatives. Awareness of the potential of healthcare to contribute to a higher GDP must lead to solutions that will be implemented in forthcoming healthcare reform.

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