



AEMH Conference 2009 – ‘Privatisation of Hospitals’

Health professionals employers’ perspective

First on behalf of HOSPEEM (European Hospital and Healthcare Employers’ Association) many thanks to AEMH for inviting HOSPEEM to participate in this Conference. I am here today on behalf of Mr. Godfrey Perera, Secretary General of HOSPEEM, who sends his apologies and is sorry he cannot attend.

Let me begin with some brief information on the European Hospital and Healthcare Employers’ Association and the Social Dialogue at European level:

Background – Sectoral Social Dialogue

The informal dialogue of the hospital sector social partners was started around the turn of the century and led – in September 2006 – to the launch of the sectoral social dialogue committee by the European Federation of Public Service Unions (EPSU) and the European Hospital and Healthcare Employers’ Association (HOSPEEM).

In the sectoral social dialogue we deal with all issues arising from the Commission’s work in the area of public health – such as the proposal for a directive on cross-border patients’ rights, health professionals, and foremost at present negotiations on the protection of European healthcare workers from blood-borne infections due to injuries with medical sharps. Our current work programme, which runs until the end of 2010, comprises also of three working groups (recruitment and retention; the ageing of the workforce; and new skill needs) and, of course, strengthening the social dialogue in the EU-12, which is of paramount interest.

Market failure in healthcare – private hospitals more efficient?

The healthcare market does not follow the rules of a free market in a market-based economy, as there is no economic allocation of resources. Market failure exists on the account, that high investment in health does not necessarily lead to a high life expectancy: there is no direct correlation between input (treatment) and output (health condition) according to market laws. Moreover, market failure occurs as a result of asymmetrical information between patient – doctor, doctor – hospital, insurance company – insurance holder.

Just to be clear: HOSPEEM is not against private management of a hospital. However, clearly set criteria such as number and nature of operations being performed, have to be agreed upon.

The European Commission stipulates that good quality healthcare should be available to everyone. Private hospitals are foremost interested in maximising profits, not in the health of citizens.

It is the mandate of the public authorities to provide good quality healthcare to all citizens, thus it falls short to address “the commodity health” only in terms of market- and competition criteria. Health must not become a commodity!

Good quality healthcare means also comprehensive provision of healthcare close to home.

What does increasing market orientation mean in healthcare? It means 'risk selection', i.e. young, healthy contributors to the healthcare system, and the avoidance of 'problematic risks', i.e. expensive treatments, treatments for the elderly and chronically ill. In addition usually expensive training of staff has to be covered, which is non cost-effective. Public hospitals and communities cover all these!
>> Thus it is not justified to talk about less efficiency (of the public system)!

Doctors should act socially responsible and at the same time think economically

Nowadays this seems to be more and more a question of continued education, as e.g. managerial courses are offered tailored to medical doctors, for them to acquire business know-how. It will have an impact on how hospitals are being run in the future.

"Economically", however, cannot be about a doctor in a public hospital performing more medical checkups on a privately insured patient – thereby seemingly being more 'efficient' as s/he 'works more' – in reality though making unnecessary checkups, just to make a profit. Whilst the patient might feel well taken care of (> quality), the "private" doctor is instead making the cost of healthcare overall more expensive to everyone.

Workforce-related issues, Work organisation, Working environment

Workforce-related issues have, of course, to take the demographic situation into account, with a significant number of the healthcare workforce retiring by the end of the next decade. As mentioned before, this situation has an impact on the training of health professionals, and on the continued professional development. Questions are – as there are e.g. too few GPs on the countryside – for example for nurses to develop different skills (e.g. "community nurses", which is a big project currently running in Germany). The latter leads directly to the issue of future work organisation, which is likely to see different occupational profiles and non-medical professions.

With regard to the working environment it is a fact that this is an issue even in the EU-15, as for example medical doctors from Northern Germany move to Sweden, because of a more pleasant working environment, i.e. less hierarchy in the hospitals and attractive leisure time possibilities. Working environment can also mean that e.g. doctors have a more comprehensive field of work and don't "just" perform a certain type of operation, or sometimes better pay in public hospitals.

Increasingly – as the European Commission works on "empowering the patient" – patients themselves will have an influence, as they will have a greater choice of medical treatment in the future and will demand more information from doctors on the range of medical services provided. They will even rate the performance of doctors, e.g. GPs against key quality indicators, and issues such as patient safety are becoming ever more important.

So, in summary, when we talk about all these issues we should think about quality incentives and professional incentives for healthcare professionals that will be able to meet up with an "empowered patient".

Provision of healthcare; public – private cooperation

Generally speaking there is always room for improvement. A multitude of healthcare providers, however, private and public cooperation, is necessary and makes sense.

Let me conclude by saying, that looking at the provision of healthcare from a purely economic point of view lowers the quality of healthcare provision, and has a negative influence on how health professionals (are able to!) perform their work.

Thank you.