



EUROPEAN PRIVATE HOSPITALS “VOICES”

A five-year overview (2016-2022)
Interviews, reports, editorials –
UEHP newsletters



POLAND ★ SEPTEMBER 2018

Private hospitals in "Hospital Network"

DR. ANDRZEJ SOKOŁOWSKI, PRESIDENT OF THE BOARD OF THE POLISH ASSOCIATION OF PRIVATE HOSPITALS (OSSP) AND PRESIDENT OF UEHP GENERAL ASSEMBLY

On the first October 2017 the reform of Health services introduced by the Ministry of Health entered into force a "Hospital Network" planned to be financed by public funds in the form of a lump sum. In June 2017, a list of 593 hospitals included in the "Hospital Network" were published. Among them there were 61 private entities.

Out of 61 private hospitals included in the Network, 31 are members of the Polish Association of Private Hospitals, PAHP. Hospitals that are included in the Network can expect stabilization in the form of a lump sum payments in a four-year horizon. Hospitals that have not been included in the Network can apply for contracts in tenders announced by the National Health Fund in order to obtain income from public funds.

Market share of the Polish Association of Private Hospitals

In 2016, the hospital sector in Poland comprised over 930 entities conducting hospital activity. The share of public hospitals was 58%, while that of private hospitals - 41%. Private hospitals associated with the Polish Association of Private Hospitals, OSSP represented about 5% of all hospital beds in Poland (15% of the total number of hospitals). The average

occupancy rate was 52% vs 66.2% in public hospitals. OSSP private hospitals employed ca. 10% of doctors and ca. 6% of nurses and midwives. In 2016, the share of OSSP private hospitals having contracts with the National Health Fund accounted for 76% compared to 91% a year earlier. The decrease in the value of contracts with NHF affected the scale of activity of OSSP private hospitals, the number of patients and hospital beds occupancy. The national payer still financed over 60% of the medical revenues of OSSP private hospitals.

Sales income of OSSP private hospitals was mainly correlated with the value of contracts with the National Health Fund. Lower contract value, lower scale of hospital activity and practically constant structure of operation costs resulted in lower net profit. The instability of the entire health care sector, including the conditions of activity of private hospitals, in particular, does not create profitable circumstances for growth and development for private hospitals.

The construction of the financial model of the private hospitals is similar to the model of public hospitals, where the main source of revenues is generated by the contract with the national payer, the National Health Fund. The private hospitals sector complements the public sector



in the area of medical services reimbursed by NHF.

Unfortunately, the decrease in the level of contacts with the National Health Fund for private hospitals results in higher and higher unexploited resources of hospital beds, equipment and medical staff. The potential of the private hospitals sector is crucial for improving the quality and availability of publicly funded health services, especially when waiting time for patients for many medical services are still calculated in months or years rather than in days. The opportunity for the private hospitals sector is to change the model of financing and to build a new model friendly to patients based on private health insurance.

Medical tourism in Poland - an area of very high potential

For Private clinics and hospitals medical tourism is a new option of development. In 2017 about 172,000 medical tourists came to Poland. 55% of all Germans can imagine going abroad for medical treatment and 5% have already done so. Many Russians come to Poland and move away from higher-priced markets such as Germany because of the deteriorating economic situation in Russia.