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PERSPECTIVES IN THE PORTUGUESE HEALTH SERVICE REFORM

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The Portuguese National Health System (NHS) ranks 14th in Europe, ahead of the United Kingdom and Spain; in the last ten years, the Portuguese government has invested heavily in the maturity of this system, because the expectations of the population from this free health service are very high. The SNS from January 2024 is under "major reform".

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BACKGROUND/INTRODUCTION

The health service system aims to ensure the population's health through the equitable distribution of healthcare services that meet the needs and expectations of the population. In organising the health system, each country must consider respect for the individual and a patient-oriented approach, providing prompt services and the best possible facilities.

The dominant mode of financing classifies health systems, and the most common systems in Europe are the Bismarck[1] system, the Beveridge[2] system, the centralised public health insurance system of the Semasko type, and the private health insurance system.

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All health systems strive to meet the population's health and healthcare needs. The demand for health services must reflect the real needs of the population, and the supply and use of health services must be satisfactory.

On 24 April 2023, the European Councial endorsed the "EU Global Health Strategy: Better Health for All in a Changing World", reaffirming the leading role of the EU and its Member States in promoting global health.

The three complementary priorities of the EU Global Health Strategy, as a pillar of the Global Gateway Strategy and the European Health Union, should guide these efforts:

- ensure better health and well-being of people throughout their lives
- strengthen health systems and promote universal health coverage
- prevent and combat threats to health, including pandemics, through a 'One Health' approach

Each European country has developed its funding mechanisms, with all systems relying on a combination of funding sources, most of which are state-controlled (directly or indirectly) - public contributions and direct contributions fund health systems in the European Union.

One of the objectives of health systems is to spread the costs of health services between sick and healthy people and to moderate expenses according to the resources available to each state. However, no health system is exclusively state-run; evidence shows that primary health care combines private liberal medicine with public medicine in most EU countries. There is a consensus at the EU level, a solidarity mechanism, that health cannot be abandoned to market mechanisms.

THE PORTUGUESE CONTEXT

In Portugal, life expectancy has increased steadily since 2005 and has now exceeded 80 years, and the infant mortality rate has fallen from 11 cases per 1000 population in 1990 to 3 cases per 1000 population today. In terms of the quality of health services, Portugal scores an impressive 63.15% on the World Health Innovation Index, compared to the previous highest score of 56.33% [1].

Demographic trends

Despite a good performance in life expectancy at birth and healthy life years (the number of years spent without activity limitations) [2], the rapid population ageing is one of the significant future challenges that Portugal's healthcare system faces.

In the coming years, Portugal's healthcare system will face increasing care needs and financial pressures as the ageing population continues, with an increasing share of the population over 80 years old. Population ageing is associated with an already growing burden of chronic and

[1] *The Bismarck system of health insurance is a model of medical insurance that has its origins in Germany and is named after Chancellor Otto von Bismarck, who introduced this system in the late 19th century. This system is characterized by the financing of health insurance through contributions paid by both employers and employees; collected in a common health insurance fund. They are used for the costs of medical services for the entire population. Within the Bismarck system, there is a diversity of health insurers, including private and public insurers.*

[2] *The Beveridge system of health insurance is a model of health insurance that takes its name from Sir William Beveridge, a British economist who drew up the plans for Britain's post-World War II social security system. It is based on financing health services through general taxes paid by citizens. These taxes feed into a common fund that is administered by the government and used to finance medical services. The Beveridge system emphasizes public ownership and management of medical institutions. Thus, hospitals and other health facilities are owned and operated by the public sector, directly eliminating the profit from providing medical services*

degenerative diseases and multimorbidity, which will gradually become more pronounced.

In addition to this demographic context, regularly changing disease patterns, and the growing need for integrated care, the identification and implementation of new solutions meet health needs at national, regional, and local levels.

This demographic necessitates a strategic focus on integrated care to efficiently manage the growing needs for health and long-term care services. Promoting integrated care models aims to ensure that the elderly population receives coordinated and person-centered care, addressing the complexities of aging while optimizing resources across the health and social care sectors.

PORTUGAL'S NATIONAL HEALTH SYSTEM AND NATIONAL HEALTH SERVICE

According to the Euro Health Consumer Index 2018, the Portuguese National Health System (NHS) ranks 14th in Europe, ahead of the UK and Spain.

The Portuguese National Health Service (SNS) was created just five years after the 1974 revolution, and building a proper public health service came with many challenges. People's expectations of a free and fully comprehensive health service are high but hard to meet, so, over the last ten years, the Portuguese government has invested heavily in the maturity of the NHS. SNS is undergoing a "major reform" from January 2024, focused on creating 31 local health units (ULS), joining the eight already existing in the country. Figure 1 presents the current organisation.

SNS is publicly funded, universal, and tendentially free of charge. Everyone is covered for hospital treatments, such as emergencies that lead to admissions, terminal illness, and post-operative care.

Users are only expected to pay moderating fees when accessing hospital emergency services without prior referral by the SNS (through the SNS 24 triage line or PHC) or admission to the hospital via the emergency department.

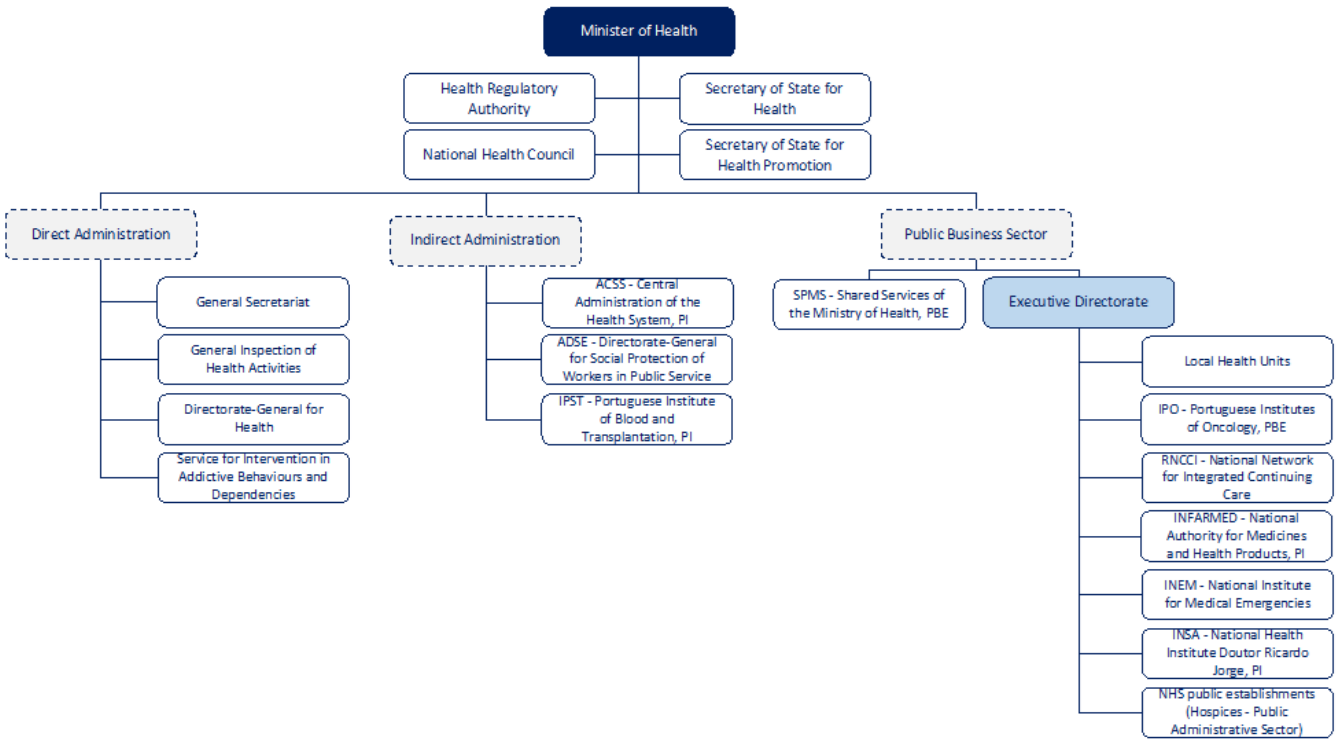
Certain groups are exempt from healthcare user charges, including pregnant women, minors, individuals with disabilities (60% or above), economically disadvantaged users and their dependents, blood and organ donors, firefighters, transplant patients, disabled military personnel, unemployed individuals registered with the Employment Centre earning less than 1.5 times the Social Support Index (IAS), youths under protective measures, asylum seekers, refugees, victims of specific forest fires, and those seeking voluntary pregnancy termination. This exemption ensures that vulnerable and affected groups receive necessary healthcare without financial burden [3].

Portugal's healthcare system is distinguished by its comprehensive coverage. It offers its residents public and private healthcare solutions, including private insurance, health plans, and health subsystems (primarily designed for public administration employees).

Almost two-thirds of the Portuguese population has access to health subsystems, and one-third is covered by at least one health insurance.

Furthermore, the Portuguese Observatory of Health Insurance reports that it is estimated that 55,3% of the population is covered by at least one health insurance, plan, or subsystem [4].

Figure 1. The organisation of the National Health Service in Portugal, 2024 - Under Review



Adapted from: https://www.sns.gov.pt

Health subsystems

These professional health protection schemes adopt methodologies for implementing maximum prices for various healthcare services under a conventional regime with private providers without restricting their access to the broader National Health Service (SNS) network, supplemented by private health institutions through agreements or conventions. These subsystems include:

- **Assistência na Doença dos Servidores do Estado (ADSE)**: Catering to public servants.
- **Assistência na Doença aos Militares da Forças Armadas (ADM)**: Focused on military personnel.
- **Serviços de Assistência na Doença - Polícia de Segurança Pública (SAD-PSP)** and **Guarda Nacional Republicana (SAD-GNR)**: Aimed at public security forces.

Serviços Sociais do Ministério da Justiça (SSMJ): Serving employees of the Ministry of Justice.

The primary distinction among these subsystems lies in their target demographics and the specifics of the benefits they offer. For instance, Instituto de Proteção e Assistência na Doença, I.P. (ADSE) is the largest subsystem. It has existed for over half a century and expanded its coverage from active public servants to dependents, spouses, and retirees. Members contribute 3.5% of their salary or pension towards the scheme, gaining access to private healthcare providers at reduced costs under a conventional regime or choosing a free regime with subsequent reimbursements. Conversely, the ADM, mandatory for military personnel, operates with a similar contribution rate but offers direct access to the Military Hospital and health centres across Portugal and partnerships for reimbursements post consultations.

Health insurance system

Private health insurance in Portugal offers flexible options, allowing beneficiaries to choose between different service packages and health networks according to their needs. There is also the possibility of selecting variable payment plans such as monthly, quarterly, or annual.

Coverage by voluntary health insurance varies according to the range of health service providers and the packages of services offered. Thus, packages cover a basic set of services, while more expensive schemes cover a broader set of services, including higher ceilings on healthcare expenditure.

Public health care providers account for the majority of primary care and hospital care providers, with a system of retaining access to hospital care. At the same time, pharmaceuticals, diagnostic technologies, and private practices provided by specialist doctors make up the bulk of private providers.

Organisation of the health system in Portugal

Portugal's National Health System is structured by **levels of healthcare** as follows:

- Primary Health Care
- Hospital Care
- Integrated Continuing Care

Currently, in view of the care reform taking place in Portugal. These three levels of care are integrated under the aegis of the same Board of Directors. The main objectives of this change were to improve the quality of care provided, improve the user experience and reduce healthcare costs.

This reform has had an impact on several levels, including funding.

Financing health services

Portugal invests around 10.6% of GDP in its healthcare system, (above OECD's 9.2% average), ranking 12th in the European Union and the European Economic Area regarding healthcare spending [5].

The basic principle of the Portuguese healthcare system is universality. All citizens and residents are entitled to health care, and essential services are generally available free of charge.

The funding source for public health insurance comprises general taxes, social contributions and taxes paid by employers and employees.

Patients can choose between receiving health care in the public or private sector. Public services are covered by general social insurance. At the same time, the private sector provides additional services for those who choose to pay out-of-pocket or have private health insurance or health insurance plans.

When public healthcare systems face response limitations, patients may be referred to private healthcare providers for additional treatments. In such scenarios, if the legal maximum waiting time for a response is exceeded, systems like SIGIC (Integrated System for the Management of Patient Access in Portugal) - these systems aim to regulate the activity of patients proposed for surgery and patients operated on based on principles of fair access to surgical treatment - issue a voucher. This voucher allows patients to access private healthcare services with which the National Health Service (SNS) has pre-existing agreements, ensuring patients receive the necessary care without delay. This mechanism helps in managing healthcare demand and resource allocation.

Portugal has significantly invested in its health infrastructure, modernising hospitals and expanding its healthcare capacity.

Year after year, the number of specialised and high-performance Portuguese medical centres is growing significantly, focusing on oncology, where the country is investing heavily in cutting-edge technologies [6].

Until now, the financing of the different levels of care was based on a global budget, i.e., historical costs. Each unit was allocated a sum of money that also valued the production to be carried out. With this reform, and given that the aim is to guarantee a more integrated provision of care, funding will now be by capitation, i.e. an amount allocated for each citizen on the unit's list. However, to reduce the risks associated with this type of funding, it is

supported by population risk adjustment. The amount defined for the capita considers the characteristics of the population covered, as well as their health consumption, so that the amount to be allocated is appropriate to the reality of each unit.

However, this model aims to encourage innovation and efficiency in these units, and as such, values are also set for innovation, and incentives for quality and efficiency are added to the capita.

Alongside this reform, internal changes are taking place, including creating working models that aim to incentivise and improve conditions for health professionals. These models are the family health units, model B, and the Integrated Responsibility Centres, used in primary healthcare and hospital care, respectively.

Both experiments were already in place before the current reform, but the aim is to generalise them in Portugal's national health service.

Family health units and integrated responsibility centres are multidisciplinary teams that work with specific objectives and for which there are associated financial incentives that are added to the amounts contracted with them.

Primary health care

According to The Portugal News, over 10% of Portuguese were not enrolled in a family plan at the end of 2021. Family doctors are employees of the public system; their contracts differ: they can be salaried or have mixed contracts, providing salary, capitation, and fee-for-service income. This option exists only for those who work in multidisciplinary teams in special units. Regardless of the type of contract, GPs have a capitation list and gatekeeper role. More than 60% are organised in such working groups (teams). The others work in public locations but do not work in teams.

Hospitals, Hospital Centres and LHUs

Hospitals, hospital centres and LHUs are classified according to the respective specialities they develop, the population they cover, their training capacity, the differentiation of their human resources, their funding model, the classification of their emergency services and the complexity of their hospital production, following Ministerial Order no. 147/2016 of 19 May.

In 2021, there were 240 hospitals in Portugal, and more than half were privately owned (128). However, NHS or public-private partnership hospitals continued to be the main providers of health services, ensuring 84,3% of complementary diagnostic and/or therapeutic acts, 69,5% of hospitalisations, 80,2% of attendances at emergency services, 68,7% of the total surgeries, and 61.0% of external medical appointments [7].

PROSPECTS FOR REFORM

One of the major problems of the Portuguese National Health System is the hospital outpatient system. This is partly a cultural problem, as traditionally, most Portuguese people want to go straight to the hospital emergency room for any health problem.

The government has tried to address this problem by opening health centres in most towns and cities, staffed by doctors, specialists and 'family doctors'. However, the shortage of specialist and family doctors leads to long waiting times, so patients head to the emergency room. Despite the government's efforts, there is a need for more family doctors. If it is a routine or minor illness, the waiting time for treatment or an appointment is high.

Family doctors may choose to work in multidisciplinary teams in special units. Multidisciplinary teams can consist of a maximum of ten family doctors, seven nurses and five administrative staff (reception, secretarial, etc.) and cover a specific geographical area with no fixed zonal limits. This means that patients who have moved out of the area and those who live in the vicinity can remain enrolled [8].

The team provides general health care to the adult and paediatric population, family planning services (Pap smears, counselling, insertion of intrauterine devices and contraceptive implants), pregnancy care (follow-up up to 34 weeks of pregnancy), home visits, vaccinations, monitoring of most chronic diseases, etc.

Patient access to the hospital is based on a referral from the GP, and feedback is received electronically by the patient.

The system is computerised, including prescriptions, referral slips, death certificates, sick leave forms, etc.

Portugal's Economic Adjustment Programme (EAP) and a €78 billion international loan agreement, implemented between 2011 and 2014, responded to the economic downturn and prompted reforms in the health sector. The EAP measures included cuts in spending on pharmaceuticals, reduced salaries for health professionals and increased co-payments. The EAP also gave a new impetus to reforms that had stagnated during the economic downturn. These included reforming primary health care to expand patient and family doctor enrolment and create family health units. However, in practice, few were opened due to budgetary constraints. In January 2019, municipalities took over new primary healthcare planning and management powers as a step towards further decentralisation. Other recent reforms have focused on strengthening public health interventions [9].

The private sector has developed at an impressive speed to meet treatment and care needs. Private hospitals have organised their emergency departments. As health insurance is much cheaper in Portugal than in many European countries, the private health system is a viable alternative to the public sector.

The Portuguese government has embarked on an extensive campaign to reform the National Health Service through its country's Recovery and Resilience Plan and the 2022 reform to improve the integration of public primary, community and hospital care. The reforms rely on improved information systems and regular reviews to ensure more efficient spending. Primary healthcare reform is a priority in Portugal, as it aims to expand effective prevention programmes, promote cost-effective choices by care providers, and limit avoidable hospitalisations.

CONCLUSION

The initiatives already implemented in the Portuguese National Health System require regular evaluation of individual and organisational factors, both in the public and private systems, to achieve the goal of a healthy population in old age. Also in planning human and financial resources in the health sector, the patient's fundamental need *for health care and the appropriate response of the health staff must be constantly considered*.

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