

**UN Secretary-General's Independent Accountability Panel:
2018 REPORT ON PRIVATE SECTOR ACCOUNTABILITY
FOR WOMEN'S, CHILDREN'S AND ADOLESCENTS' HEALTH**

MT Submission

Roles and impact of private sector engagement in national health service delivery

Malta's health care system offers universal coverage to a comprehensive set of services that are free at the point of use for people entitled to statutory provision. The Ministry for Health has been responsible for both regulation and provision of health services through what has been mostly an integrated public system of health services organization and delivery; however a substantial shift towards greater private sector involvement is under way. So far, it is estimated that as much as 65% of total healthcare expenditure is in fact financed by the Government. It is good to note that out-of-pocket payments amount to 94% of the roughly 30% of health care expenditure that is privately funded, with the remaining 6% financed through private health insurance (6%) and non-profit institutions (1%). This is primarily reflective of the supplementary role assigned to Private Health Insurance in Malta which in turn reflects the extent and quality of the local public healthcare provision. Around 21% of the population has some form of private health insurance.

The private sector complements the provision of health services, particularly in the area of primary health care. Private primary care is mostly provided by general practitioners and specialists who set up their practice within retail pharmacies. The more established practitioners and specialists typically have their own clinics. In recent years, there has been a gradual yet substantial shift towards greater private sector involvement. The private system is market-driven and comprises autonomous, independent providers. Amendments to the laws regulating the provision of private health care, private hospitals and clinics in 1995 aided the opening of these.

In terms of private sector involvement, Public Private Partnerships (PPPs) are emerging as a new and compelling model for funding not just for infrastructure but also for business operations and care delivery. A larger provider market could also help mitigate escalating costs as at present, there is very limited competition in terms of private healthcare providers. As healthcare expenditure will become more of a Government priority- this pressure opens up opportunities for the private sector to work with Government. Private-public partnerships have and continue to be introduced within a number of hospitals and primary health care services. Government has been commissioning some care from the private sector, notably to address lengthy waiting lists for certain elective interventions. Collaborations are also being sought with private primary care providers for the provision of follow-up of specific chronic conditions.

At present, there is very limited competition within the healthcare service providers. Over 95% of hospital beds are publicly owned implying there is considerable scope for increasing private sector involvement. However, investment in the private sector will only be

undertaken if deemed worthwhile and sustainable and the introduction of encouraging incentives. Often, people seek private health care services so as to avoid waiting times. The need to satisfy empowered and demanding patients, together with increasing demand and consumer expectations are leading healthcare providers to continuously improve access and quality. Patients are also demanding more timely and relevant quality data.

While the private sector already carries out a significant amount of activity in the ambulatory and primary care sectors, its role in the hospital sector is set to increase, with responsibility for management of three hospitals being granted to a private sector provider in the form of a 30-year concession. Considering that similar arrangements have been in place for several years in the long-term care system, this is an innovative development for the Maltese health system. The government however will continue to remain responsible for the funding of the care provided, and the publicly funded health care services will remain free of charge at the point of use to all those entitled. In this way, the role of the Ministry for Health will shift from being a direct provider of services to ensuring standards of care through its regulatory function. Government also started applying the concept of clinical governance in healthcare, to maintain and improve the quality of patient care within the whole of the health system.

Standardizing and Regulating health care

The three main regulatory bodies are the Council of Health, the Health Policy and Strategy Board and the Advisory Committee on Health-Care Benefits. The Directorate for Health-Care Standards within the Department of Health Regulation plays a crucial role in the regulation of health care services provision alongside other entities such as the Medicines Authority and the National Commission on Higher Education. Malta's Charter for Patient Rights and Responsibilities is helping to pave the way forward by empowering patients to be fully informed and receive health care within a reasonable time.

Over the years Malta prepared a number of standards which deal with Hospitals and Clinics as well as medicines administration. There is legislation in force on Private medical clinics and hospitals as per Legal Notice 161 of 1995. This is called the Private Medical Clinics (Licensing) Regulations, and although now may appear rather dated it deals with what is expected in private hospitals and day clinics in the private sector. It sets down the standards as well as provides for regular inspections to ensure that such private healthcare providers operate in accordance with these regulations.

General Practitioners and Family Doctors consulting rooms are not regulated, however, under the Medical and Kindred Professions Ordinance, clinics such as physiotherapy clinics, medical diagnostic labs, acupuncture, podology, dental and X ray departments are licensed. A set of conditions related to such licensing are legally binding. They deal with documentation, staff issues, equipment and fire safety. Mental health facilities are also licensed under this Ordinance, as well as through the Mental Health Act and through a set of conditions. Blood, tissue and cells establishments are regulated by the relevant Maltese legislation based on EU directives.

Med-aesthetic clinics such as those providing laser hair removal, botox, dermal fillers, vein treatments and other such treatments are so far, are not regulated or inspected, although it is stated that these should be carried out by doctors.

Demographic changes and the public vs. private balance of healthcare may be drivers of future regulatory reform, which may be essential as new ways are explored to control costs and change practitioners' behaviours.

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