



EUROPEAN CORPORATE COUNCIL ON AFRICA AND THE MIDDLE EAST



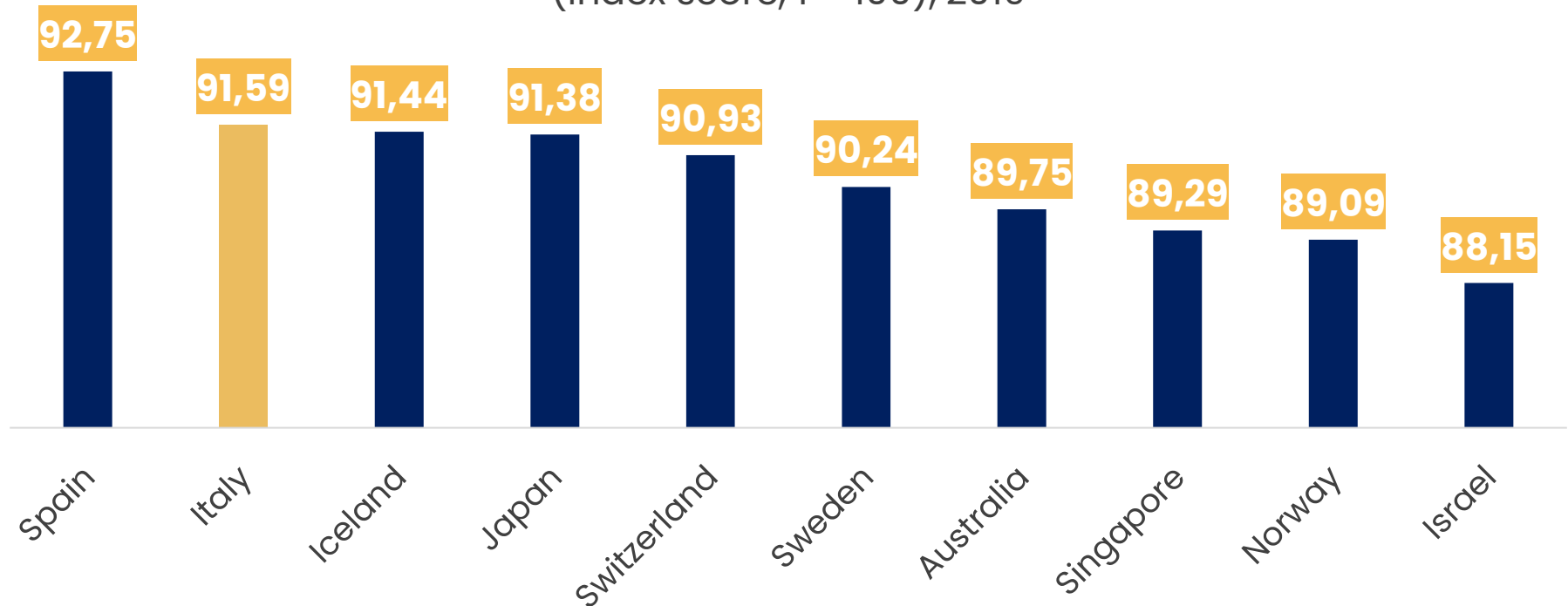
New ways to care:
the **public-private cooperation** approach

Key messages

- **Italy** consistently ranks second globally for the level of its healthcare sector, thanks to an efficient allocation of resources in terms of inputs and outputs
- Despite lower expenditure per capita compared to its peers, the Italian result is achieved thanks to an integrated model of public-private cooperation that relies on four pillars: **high quality and universality**, **public-private competition**, **DRG payment systems** and **decentralization**
- A stronger **private sector engagement** can complement the public sector to enhance the quality and capillarity of service, delivering high-quality and universal access to care
- In Africa, the private sector is already pervasive in the healthcare sector but requires an improvement in **health system governance** to adhere to shared standards of practice

Italy is the second healthiest country in the world, after Spain

Bloomberg Global Health Index in top 10 countries
(index score, 1 – 100), 2019



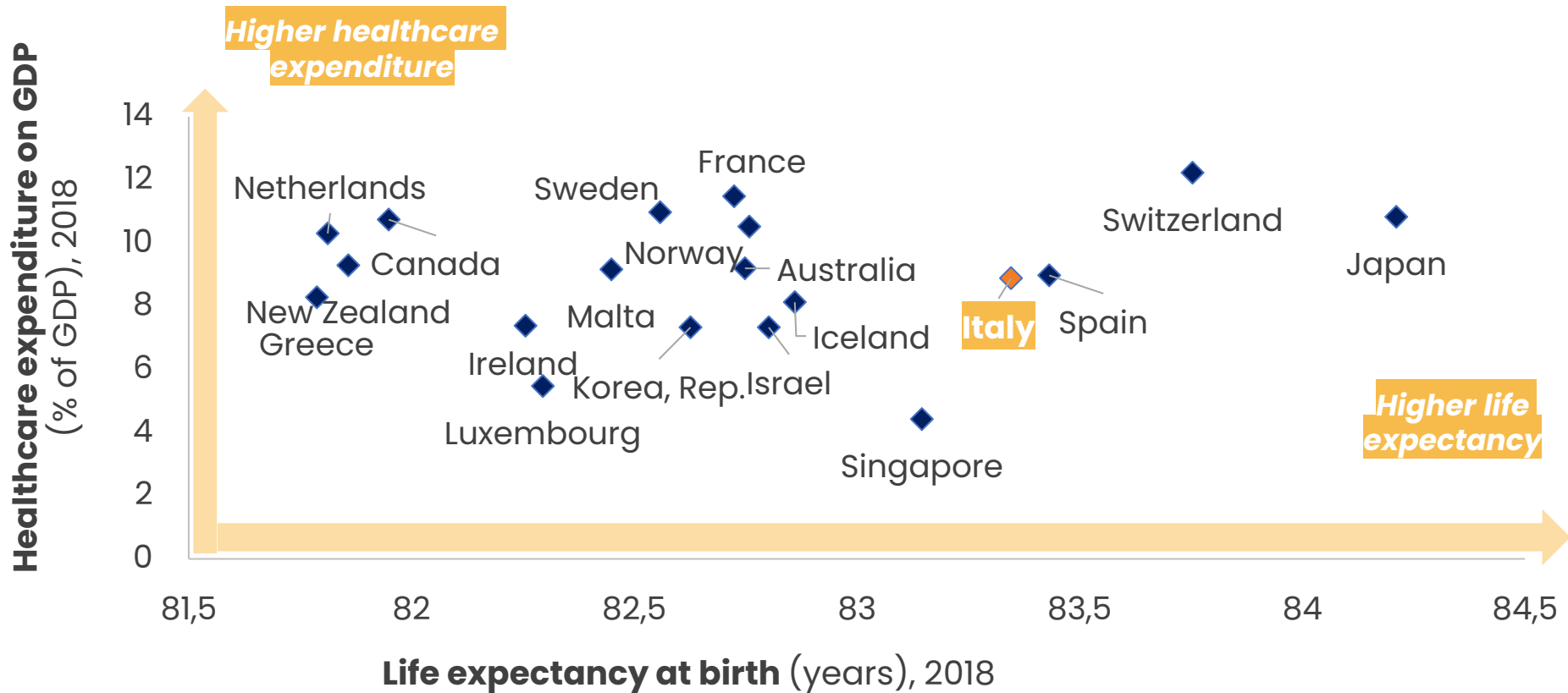
Methodology

Composite index consisting of health risks (tobacco use, high blood pressure, obesity), availability of clean water, life expectancy, malnutrition, causes of death

Source: The European House – Ambrosetti on Bloomberg data, 2021.

The healthcare system in Italy proves efficient in terms of inputs (expenditure) and outputs (life expectancy)

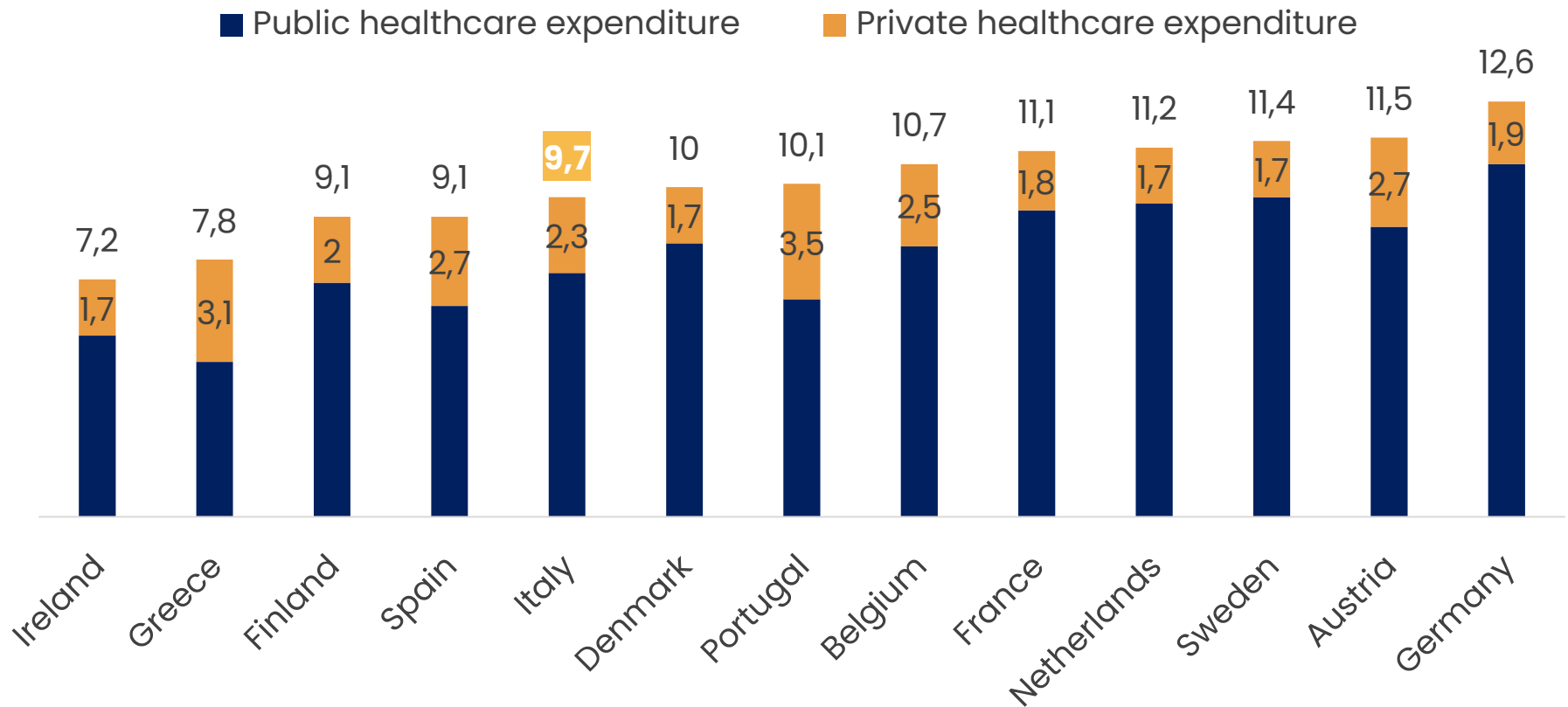
Top 20 countries by life expectancy (years) and healthcare expenditure per capita (% of GDP), 2018



Source: The European House – Ambrosetti on World Bank data, 2018.

Italy's excellent healthcare sector is achieved with lower healthcare expenditure than its peers...

Private and public healthcare expenditure in EU-14,
(% of GDP), 2020 and latest available



Source: The European House – Ambrosetti on World Bank data, 2020.

... relying on a regional mixed public-private healthcare system

The governance structure of the Italian healthcare system

- **National level:** defines general principles and uniform essential levels of care; distributes tax revenues to regions
- **Regional level:** plans and organizes the resources of the local network of public and private accredited hospitals
- **Local level:** public and private accredited hospitals deliver healthcare services

Italy and its regions, the basic units of the national healthcare system



Guiding Principles of the Italian Healthcare system

Universality

Access to healthcare is universal, including citizens and foreign residents

Equality

Access to healthcare is granted to all, regardless of economic and social conditions

Equity

Treatment of the individual is prioritized based on clinical needs

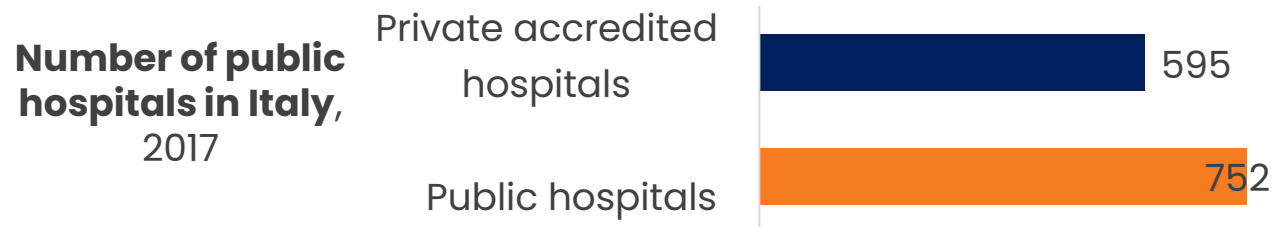
Competition

Public and private hospitals compete for patients on a public-funding basis

Market competition results in public-private cooperation to deliver cost-effective and high-quality care

Public and private providers are paid by **DRG** (Diagnosis Related Groups):

- Each region determines its own DRGs, using those nationally-determined as reference (maximum)
- Nationally-determined DRGs are also used to balance accounts for interregional mobility of patients and for hospital internal management purposes
- Regions also determine the maximum number of patients treatable per hospital, number of beds, and other relevant metrics
- Regions are also in charge of verifying compliance with regulations



Source: The European House – Ambrosetti on Italian Ministry of Health data, 2020.

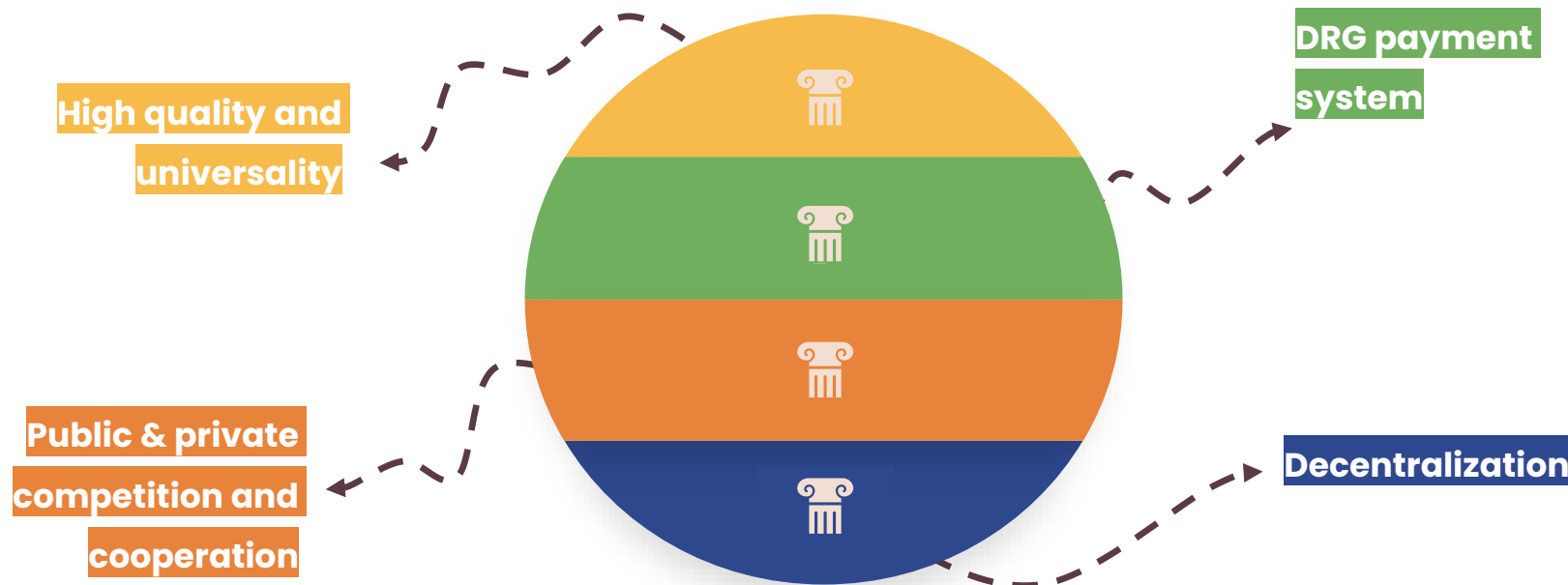
The origin of the Italian DRG system

The Italian DRG system is a case of policy transfer, introduced into the system in 1992 after the experience of the United States (Medicare), where it was implemented in the 1980s.

Since then, the system has experienced recurrent reforms and it is now significantly different from the United States experiences

Adopting the Italian model allows for leveraging of private resources to achieve high-quality, universal care

- The system integrates elements of **accountability** and **competition**, without compromising the social mission of healthcare facilities
- Regionalization of the system ensures comprehensive **territorial coverage**, with centers of **medical research excellence** in major cities serving the rest of the country
- Private healthcare can be provided outside the NHS, reducing the financial burden on taxpayers



Partnerships with Italian healthcare operators allow for turn-key solutions and setting up of world-class hospitals

Policy transfers of the Italian healthcare model could be accelerated by partnerships with major Italian hospitals, which could bring capital, medical and managerial know-how, thereby:

- Achieving **top-quality medical care**
- Developing **local skills** and **know-how**
- Promoting **technology transfers** and developing a value chain in the bio tech sector

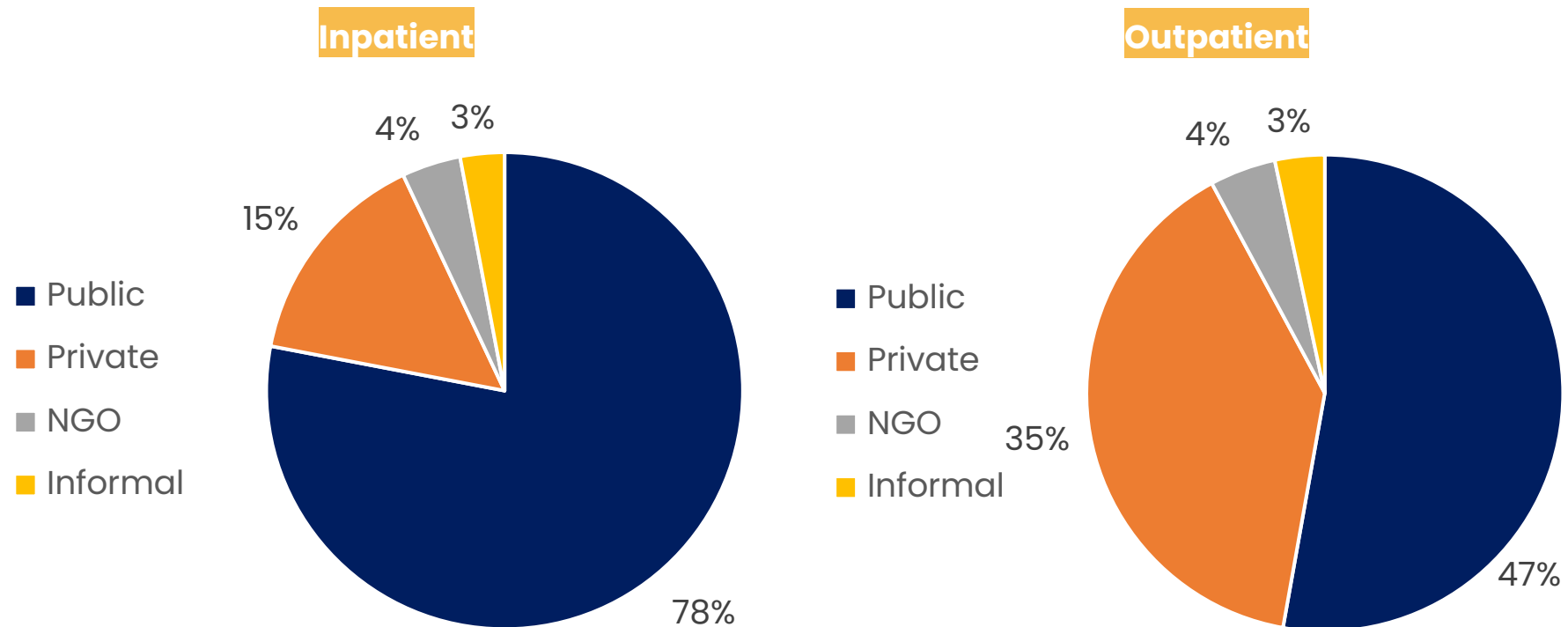
A step-by-step approach to achieve comprehensive healthcare policy cooperation with Italy:

1. Skills training and critical patient treatment
2. Assistance in developing complex units and medical research
3. Direct management of hospital facilities



In Africa, the private sector is already significant among care-seeking patients

Care-seeking by type of care in Africa for inpatients and outpatients, (% of total patients) latest data available



Source: The European House – Ambrosetti on World Health Organization data, 2021.

It is important to develop frameworks for public-private partnerships inspired by the Italian model

The role of private sector engagement in achieving higher-quality healthcare



The contribution of the **private health sector** in Sub-Saharan Africa constitutes an important component of the region's health care systems, covering the entire health value chain, including provision, financing, manufacturing, distribution, and retail



A stronger inclusion of the private sector can enable the dissemination and adherence to **standards of practice** for quality, access, transparency of pricing and reporting of care practice. Improvement in **health system governance** would provide a strategic direction as well as the formalization of effective public-private engagement



Under this model, progress towards longer-term health goals, including the United Nations' goal of **Universal Health Coverage** can be attained



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