



THE PORTUGUESE HEALTH REGULATION AUTHORITY

Title: Assessment of public-private partnerships in the health sector

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Executive summary

The Portuguese Health Regulation Authority, in fulfilling the request of the Ministry of Health, conducted a study aimed at analysing the performance of NHS hospitals managed under public-private partnerships' (PPP). The analysis focuses on four domains: (i) relative efficiency; (ii) effectiveness; (iii) clinical quality; and (iv) regulation costs.

The study is composed of six chapters, with the first one defining its motivation and objectives and presenting an introductory note on the PPP management model for NHS hospitals in Portugal. The last chapter is dedicated to the conclusions.

The assessment of relative efficiency of PPP hospitals – presented in chapter 2 – is based on a *data envelopment analysis* method, which consists of a linear programming technique that considers data from inputs and outputs of similar decision making units. In accordance therewith, a homogeneous group of comparable general NHS hospitals was defined as a previous step, including the four existing PPP hospitals. The results revealed that PPP hospitals are generally efficient, in particular the hospitals of Braga and Cascais, which presented outstanding positive results. However, it was not possible to identify statistically significant differences between the results of the PPP and the non-PPP subgroups.

Chapter 3 is dedicated to the effectiveness analysis, taking into account inpatient care, surgeries and first outpatient appointments, and also an assessment of the fulfilment of the maximum waiting times (Tempos Máximos de Resposta Garantidos – TMRG) imposed by law for first outpatient appointments and planned surgeries. Results

indicated that most PPP hospitals have on average a higher capacity for surgeries than the other comparable public hospitals, while they mostly present a lower than average percentage of hip fractures surgically repaired within 48 hours. Yet, all PPP hospitals presented a higher than average percentage of outpatient surgeries on planned surgical care for ambulatory care-sensitive conditions, which means a better performance than the comparable hospitals, with significant statistical difference between groups.

Regarding the inpatient indicators, results show that most PPP hospitals present a relatively lower than average capacity for inpatient care, while the percentages of inpatient length of stay beyond 30 days and of readmissions until 30 days do not present significant variations as compared to the other hospitals.

As far as the fulfilment of the maximum waiting times imposed by law is concerned, PPP hospitals presented a better performance than the comparable hospitals in the case of surgeries, but a generally worse performance regarding first outpatient appointments.

Chapter 4 focuses on quality, presenting the results of the National System of Health Assessment (Sistema Nacional de Avaliação em Saúde – SINAS) of ERS and an overview of patients' complaints against NHS hospitals. PPP hospitals exhibited a higher adhesion to SINAS, seeking to be assessed in all dimensions and areas of the projects, with favourable results, in general, as compared to public hospitals with different management models. This may be motivated by impositions of the PPP management contract that include financial penalizations due to compliance failures. Regarding patients' complaints, it is not possible to identify a specific pattern of reasons for complaints against PPP hospitals that is different from other hospitals. However, PPP hospitals are targeted in a relatively high number of complaints, presenting a remarkably high growth rate in recent years, mainly related to waiting times and patients' needs and expectations.

Finally, chapter 5 identifies regulatory costs for the public side in PPP hospital contracts, and it is subdivided into two subsections. Firstly, the most common problems in the view of the contracting public entities are highlighted: unavailability of data from the comparable public hospitals that in some cases can deter performance assessments; lack of clearness in the description of indicators defined in the contracts; inadequacy of the contracted services vis a vis the needs of the population covered; articulation with primary care providers and other hospitals; and rules regarding the

availability of emergency/urgency services. Thereafter, this chapter focuses on the disputes between the entities that manage PPP hospitals and the contracting public entities, and the mediation by ERS of such disputes. As noted, it's not possible to conclude that there are more or less legal disputes between the public partners and the PPP hospitals than in non-PPP hospitals, since the clauses regarding resolution of disputes contained in the contracts force the parties to try mediation with the aim of reaching a conciliatory agreement before arbitration.