PRIVATE HEALTH CARE SYSTEM: AN AGENDA FOR BETTER RESULTS

• A good health care system is essential to guarantee the well-being of the population and the productivity of a country’s workers.

• Faced with a public system that fails to serve the population, companies have offered health insurance plans to workers. This modality covers about 70% of all health insurance users.

• Private health care costs in Brazil have increased at unsustainable rates due to regulatory hurdles that remunerate the excessive and inadequate use of the System and generate asymmetry in access to information for both contractors and users.

• Unless regulatory changes to encourage sustainable and population management of health care are implemented, companies will no longer be able to offer this benefit to workers.

About 80% of beneficiaries of private health insurance plans in Brazil have collective health insurance plans - available to companies, professional associations, and unions. Increases in monthly payments of collective health insurance plans are not regulated by the National Supplementary Health Care Agency (ANS), thus contributing to above-inflation price increases.

The industrial sector is partially or fully responsible for financing almost 22% of private health insurance in the country (10.2 million beneficiaries). The increasing cost of health insurance plans has raised the costs of health care for industry workers, without improving health care quality and outcomes. Management needs to be improved to ensure the capacity to provide this benefit to industry workers.

The costs of private health care in Brazil have increased substantially for four main reasons. The first reason is poor preventive care. This increases the incidence of complications and emergency care, which are more expensive than prevention.

The second reason is the logic of service providers’ remuneration, which is based on the number of procedures performed and not on the result achieved in patients’ treatment.
Thus, there are incentives to perform excessive, costly procedures, with marginal benefits to the health of beneficiaries.

The third reason is the inclusion of technologies in the list of minimum procedures to be provided by health insurance, without a proper analysis of the relationship between the effectiveness of the technology and the cost of its incorporation. As a result, costly procedures can be used, with few benefits to the health and well-being of the population covered by health insurance plans.

The fourth problem lies in difficulties for accessing aggregate health data on the beneficiaries of collective health insurance plans available to companies. If companies had access to these data while preserving the identity of beneficiaries, they could better manage the health of their workers, focusing on the prevention of recurring diseases and on contracting more efficient and sustainable plans.

**Main recommendations**

1. A remuneration system for providers of health care services based on results and not on the number of procedures performed should be structured.

2. Actions to reduce judicialization in health care and strengthen the technical understanding of the subject by the court system should be identified.

3. Primary care programs should be implemented, with integrated care and focus on the prevention and control of chronic noncommunicable diseases.

4. The process of including technologies in the ANS list of technologies should be improved through the implementation of health technology assessment (HTA) methodologies that are suitable for the Private Health Care System.

5. Clinical and economic management models supported by the collection and systematization of empirical evidence should be developed, with an assessment of the relationship between the results or outcomes of the evaluated treatments and the costs associated with their implementation.

6. Processes for making data available to users and contractors should be improved to ensure proper health care management for the population. While protecting the identity of users, the disclosure of data should enable contracting companies to identify trends in their employees’ access to private health care.