

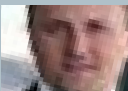


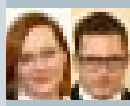



**Focus on:
Healthcare / IT & Telecoms**

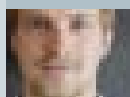
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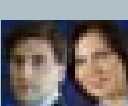
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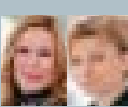
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Focus on care pathway is the way to stabilize Slovak healthcare

Vladimír Mičieta,
Government & Public Affairs Manager, Johnson & Johnson, s.r.o.

In recent years, we have seen the Slovak healthcare system suffer from inadequate financial resources, especially in hospitals and other inpatient facilities. This trend continues despite higher expenditures in healthcare as percentage of GDP, which is now comparable to other EU countries, and which is actually higher than other countries in the region. On the other hand, healthcare spending per capita remains among the lowest in the EU. Considering the changes and statistical data, the Slovak healthcare system can be considered as progressing, but also overburdened.

Compared to the OECD average, Slovakia, with its low per capita healthcare spending, has relatively low occupancy rates in hospitals, relatively high hospital bed availability, high hospital discharge rates and a high number of consultations. This indicates that there are a lot of resources in the system, excess bed capacity and overutilization. The question is whether Slovakia can afford these costs for hospital care, with its low per capita healthcare spending. The problem of excess bed capacity is being partially solved by measures taken after 2010 by the Ministry of Health and healthcare insurance companies to establish more effective hospital care. However, the problem remains unsolved: A reduction in the number of beds only marginally affects overall hospital costs. Beside this factor, the increasing cost of salaries for doctors and nurses further complicates the situation in hospitals. Today, more than 90% of revenue received by public hospitals goes to pay salaries. In other European countries, operational expenses account for over 70% of spending.

Before identifying possible solutions to the problem of this continuous indebtedness, an investigation into the structure of current healthcare spending is needed. A large share of financial resources in the Slovak healthcare system are absorbed by pharmaceutical spending (28% in 2008), which is two times higher than the OECD average. In contrast, spending on medical devices is 3%, which is lower compared to both the EU and OECD averages.

Bringing efficiency (and economy) to an overburdened healthcare system like Slovakia's requires more than just innovation in medical technologies. Efficiency is closely linked to ways of thinking and operating, where the flow of information to patients and healthcare professionals is fundamental. Implementation of new technologies and more effective surgical methods require better information and education. A partnership of all stakeholders (patients, policymakers, medical professionals and industry) is essential to building a system that accounts for each group's requirements and needs. Involvement of patient groups in policy making is crucial. Unburdening the healthcare system requires the rebuilding of its infrastructure. Hospitals of the future should be built on a care pathway, and not according to the number of hospital beds. This implies a change in the way the healthcare system operates. The cornerstone of effective healthcare lies in early diagnosis and immediate effective treatment. Healthcare providers should be motivated to cure patients, not just treat them.

In Slovakia, the primary solution hinges on a decrease in healthcare spending on pharmaceuticals. The question remains if the solution lies in pressure on price or in an overall decrease in the consumption of pharmaceuticals. A second option is very promising, but cannot be achieved without involving all stakeholders, including patients: Having achieved the goal of decreased spending on pharmaceuticals, an appropriate portion of the resulting savings must consequently be reinvested into supporting new modern medical technologies, which would lead to more effective treatment, faster patient recovery and a reduced risk of complications. When an aging population creates an increased financial demand on the healthcare system, Slovakia must further focus on efficiency and sustainability. Medical technologies represent the best approach, because improvements in medical technologies are not a driver of cost.

Applying strong pressure on prices in the public procurement of medical devices without making quality the prime consideration is not the right approach. Even a relatively large decrease in procurement prices for medical technology will have only a very small impact on overall healthcare expenditures. Operational expenses comprise over 70% of total healthcare spending. A relatively small decrease in operating costs will result in a significant decrease of total spending. Medical technologies represent a small portion of overall spending and offer limited potential cost savings in procurement.

Reducing pharmaceutical consumption, investing into modern medical technologies, and focusing on the care pathway will help the Slovak healthcare system achieve both financial stability and sustainability.