Hospital Privatization: “Health damaging effect”

Comparative models PFI/PPP/PUBLIC in the Community of Madrid.

Social dialogue & Framework for Negotiation
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“SUSTAINABILITY“ CONCEPT

“TO SATISFY PRESENT NEEDS WITHOUT COMPROMISING FUTURE GENERATIONS”.

FIRST USED IN 1987, AT UNO (BRUNDTLAND INFORM)
SPANISH’S GOVERNMENT SUSTAINABILITY CONCEPT

¡¡¡SOCIAL EXPENDITURE CUTBACK!!!
SPANISH LEGISLATION

- HEALTH SERVICE GENERAL LAW. (14/1986). (MANAGEMENT AUTONOMY OF AUTONOMOUS COMMUNITIES)


- RD LAW 16/2012. (MEASURES TO ENSURE NATIONAL HEALTH SYSTEM SUSTAINABILITY).
6 HOSPITALS WITH MIXED MANAGEMENT (PFI): PRIVATE FUNDING INITIATIVE.

4 HOSPITALS WITH PRIVATE MANAGEMENT (PPP): PUBLIC–PRIVATE PARTNERSHIP.

1 PRIVATE HOSPITAL WITH A «SINGULAR AGREEMENT» (Fundación Jiménez Díaz. FJD)
CHARACTERISTICS–I

- **PFI HOSPITALS** *(Private funding initiative):*

  - Sale of public land in order to build a hospital.
  - Private enterprise builds the hospital.
  - Public land exploitation (parking, malls)
  - The enterprise manages every public health service.
  - The health service workers belong to NHO (civil servant)
  - Canon payment, during 30 years. Building and maintenance fees.
  - Health and non–health services payment fees. (laundry, cook, patient transporters, administration).
PPP HOSPITALS (public–private partnership):

- Sale of public land in order to build a hospital.
- Private enterprise builds the hospital.
- Public land exploitation (parking, malls)
- The enterprise manage every service. NOT ONLY HEALTH BUT ALSO NON-HEALTH SERVICES.
- Workers with private labor contracts.
- Canon payment, during 30 years. Building and maintenance fees.
- Health and non–health services payment fees. (laundry, cook, patient transporters, administration).
PRIVATE HOSPITAL WITH A “SINGULAR AGREEMENT” (Fundación Jiménez Díaz) (FJD):

- Under the General Health Law, Article 67.
- According to the public health network.
- Rescued from its economic crisis in 2002, by a multinational.
- Signing new agreement at a rate of 165 million / € (2002).
- The administration paid in 2002 312 millions / €.

¡¡¡¡20% MORE EXPENSIVE THAN A PUBLIC HOSPITAL!!!!
# BUDGET BED/YEAR (2011)

<table>
<thead>
<tr>
<th></th>
<th>PUBLIC HOSPITALS</th>
<th>PPP HOSPITALS</th>
<th>PFI HOSPITALS</th>
</tr>
</thead>
</table>

Source: Community of Madrid y FADSP  
Elaboration: Own.
# HOSPITAL MANAGEMENT BUDGET YEAR 2015.

<table>
<thead>
<tr>
<th></th>
<th>BUDGET IN 2015 MADRID</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLIC HOSPITALS</td>
<td>– 39 MILLIONS/€</td>
</tr>
<tr>
<td>PFI HOSPITALS</td>
<td>+ 86 MILLIONS/€</td>
</tr>
<tr>
<td>PPP HOSPITALS</td>
<td>+ 153 MILLIONS/€</td>
</tr>
</tbody>
</table>

Source: Madrid’s Community budgets.  
Elaboration: Own.
PUBLIC HOSPITALS:
- Framework statute. (civil servant).
- Basic public employee statutes. (EBEP) (civil servants y labor workers)
- Health service sectoral committee. (+ 10%, union representation)
- Staff meetings and councils.

PFI HOSPITALS: (MIXED MANAGEMENT)
- Framework statute (civil servant) (health service workers).
- EBEP. (civil servant y labor workers)
- Health service sectoral committee. (+ 10%, union representation).
- Staff meetings and councils. (+ 10%, union representation)
- Colective agreement from the licensee (workforce of private enterprise).
- Externalized services. (Laundry, coffee shop, parking, administrative services). Own or sectoral agreements.
PP HOSPITALS: (PRIVATE MANAGEMENT).
- Private health agreement from the state, regional.
- Councils (+ 10%)
- Possibilities of extension by negotiation of our own staff councils.

FUNDACIÓN JIMÉNEZ DÍAZ (FJD). (SINGULAR ACCORD).
- Favorable legal proceedings, other working conditions of civil servants.
- Direct application of any agreement / pact of civil servants.
1. New management formulas (PFI/PPP) = HIGHER FINANCING COSTS

2. Hospital Cost Overruns PFI/PPP = DO NOT COUNT FOR THE PUBLIC DEFICIT, BUT THEY DO COUNT AS DEBTS

3. There is a detraction in public hospitals budgets = PUBLIC HEALTH SYSTEM DISMANTLING

4. HOSPITAL PRIVATIZATION IS MORE EXPENSIVE.

5. INTEGRATION OF EVERY PUBLIC EMPLOYEE TO THE CIVIL SERVANT MODEL.

6. ENSURE THE PRIVATE WORKERS RIGHTS.
## CONCLUSIONS–2

<table>
<thead>
<tr>
<th></th>
<th>Budget MILLIONS/€ 2014</th>
<th>Assigned population</th>
<th>Offered beds</th>
<th>Expenditure–average person/year</th>
<th>Expenditure–average bed/year</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUBLIC HOSPITALS</td>
<td>2,792,531,561</td>
<td>4,201,169</td>
<td>8,010</td>
<td>664 €</td>
<td>348,631 €</td>
</tr>
<tr>
<td>PPP/FJD HOSPITALS</td>
<td>553,820,718</td>
<td>819,946</td>
<td>914</td>
<td>675 €</td>
<td>605,930 €</td>
</tr>
<tr>
<td>PFI HOSPITALS</td>
<td>407,000,000</td>
<td>1,161,223</td>
<td>1,040</td>
<td>600 €</td>
<td>547,087 €</td>
</tr>
</tbody>
</table>

Source: Community of Madrid y FADSP
Elaboration: Own.
PROPUESTAS

1. Purpose–Oriented Funding of the Health Service.
3. Human Resources Plan for the NHS.
4. Control of the pharmaceutical expenditure.
5. Creation of a Central purchasing agency for the NHS.
6. Firm commitment to Primary Health Care.
7. Active participation of professionals and users.
8. Termination of contracts with private companies.
TOBBACO IS BAD FOR HEALTH, BUT PROFIT IS BAD FOR THE HEALTH SERVICE

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Are you ready?

PRIVATEIZATION

Social Security

With friends like these ......