Interview: Josie Muscat – Chairman, Saint James Hospital Group, Malta



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Dr. Josie Muscat, Chairman at Saint James Hospital Group, describes how he founded the only private healthcare group in Malta and led it to its huge success, as well as his insights on how to attract more talents and medical tourism to the island.

Could you please introduce yourself to our international audience and share with us the history of the group’s foundation?

I started my career as a Member of Parliament in 1966. After my graduation in medicine in 1967, I worked as a general practitioner for around 20 years in Malta and as I was in need of a change, I went to Scotland where I got trained in obstetrics and gynecology with special interest in infertility. When I came back to Malta, I began to invest and expand the Saint James Group. I had never planned to grow the group to its current size. Slowly, we began building more facilities and eventually, my children joined me.

Our local operations started off with a one room family doctor's clinic in a local village called Zabbar. This dwelling still stands and a few years later we expanded our operation to host a theatre and patients overnight. Once established, we started opening other clinics and hospitals; a cosmetic clinic in Attard, an Eye Clinic in Sliema; and in 2010 we took over our second hospital which is located in Sliema. December 2018 will see another mile stone for the group – Saint James Hospital, Zabbar will be relocating to new and modern premises on the outskirts of the village whereby it will house new and modernized equipment and techniques to meet the demands of the digital era.

Saint James Group continues to grow with clinics and hospitals beyond our shores namely in Hungary, Budapest; Libya; Serbia and we are now looking at new ventures in Tanzania and Mozambique.

How has the Saint James Group been differentiating itself from its competition?

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We try to keep a step ahead of the competition and maintain premium levels in all areas. We were the first to introduce spiral CT scanning as well as MRI to the island. We introduced cosmetic surgery and eye laser operation as well. We were also the pioneers in IVF treatments in Malta, offering such services to patients for more than 25 years while the government started IVF services only four years ago. We did not offer certain services such as embryo freezing as we were not comfortable with such methods yet. At the time, IVF was unregulated. IVF law was introduced six years ago. An important market for us was Libya, however recent events meant visa authorizations had to be stopped or delayed, leading to a pause in our activity with Libyan patients as well.

To ensure the growth of the group, we have started investing in new machinery and systems that are new to the island. In terms of treatments, we are investing in regenerative therapies such as stem cell therapy and would like to develop more specialized therapeutic areas within our facilities especially ones that could qualify as health tourism.

What is the ambition of Saint James Hospital regarding health tourism?

Health tourism is a very good opportunity for the island and to Saint James as a private hospital in Malta. A few years ago, we had embarked on such a project and were doing so well that we set up a health tourism department in one of our facilities. Unfortunately, with the international crisis in the middle east and Libya, all activities stopped, and we had to close this section. Now, we have to start all over again and I believe that health tourism can only be successful if our current national

health system changes and the right conditions prevail.

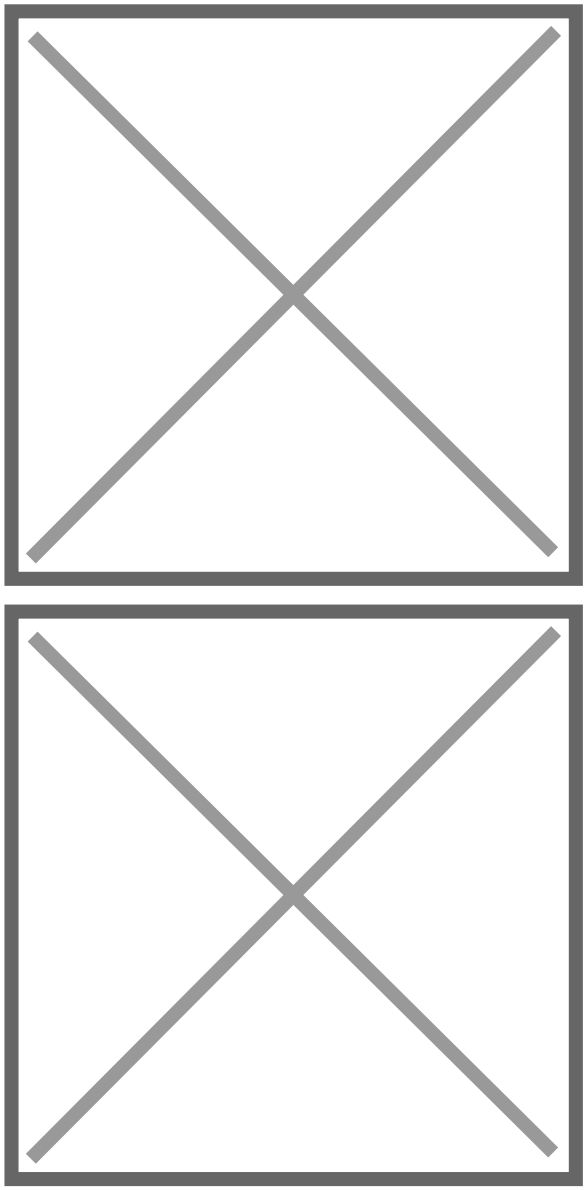
Indeed, it is important to note that Malta has a different healthcare system to other countries in Europe. Private hospitals are not part of the national healthcare system. It means that patients who go to private hospitals for treatments receive no reimbursement but pay all the required taxes, VAT and national insurance. Therefore, all payments are out-of-pocket. As the market is small, our fees may be considered a bit on the high side thus reducing further our pool of potential clients.

If the government were to reimburse a certain amount of private treatment costs, we would be able to cater for more local patients. It will help us increase our profits which will be reinvested in specific fields which will in return attract more foreign patients. These increased investments will also help us bring more renowned foreign experts. However, I am not sure the government is ready to invest in health tourism as there has been a lot of talk but not much action. If the government's aim is to increase health tourism, then a lot of investment has to be directed towards this sector. Malta can be a health tourism hub and this industry can bring more revenues to the island. We are simply not looking in the right direction. If we build the right infrastructure, we can really attract more foreign patients to the country.

During our meeting with the Hon. Mr. Fearne (Deputy Prime Minister and Minister for Health), he expressed his ambition to establish Malta as a hub for medical education. What is your assessment of the available talent pool in Malta?

In Malta, we have a high-level health education system and a renowned university. Nonetheless, we have to attract some world renowned medical professionals if we want health tourism to take off. It must be a collaborative effort between the private and the public sector and a lot of work has to be done but I believe that if the government gives us the opportunity, the private sector can really flourish and welcome more talented medical doctors.

The government is currently investing into the medicinal cannabinoid segment. From a doctor's point of view, I believe Malta is a suitable place to conduct medical research in the medicinal cannabis segment as our population is small, helping the researchers to follow up with patients in the long term. I really believe Malta is ideal for research and it can bring more knowledge and experience to our scientists and healthcare professionals. In the case of Saint James Hospital, I don't think we will go towards researching this segment but if we are approached, we will consider the opportunity.



St James Hospital Group’s proposed new hospital, to be completed in December 2018

More than 30 years ago, you founded the first hospital as a part of the group. Where do you want to bring Saint James in the next three to five years?

Firstly, our main objective is to open our new hospital and get it running by December 2018. Then, we will have to look at our international activity and determine if we can extend our reach in other markets. We would like to focus also on medical tourism and how to attract more foreign doctors and patients as I strongly believe in this segment. Finally, we are working towards innovative areas, investing in new systems and offering new services to our community.

Indeed, our main differentiator has always been that we invest in innovative areas before others do. We will continue to strive in being the best for our patients, staff and medical professionals.

Therefore, the idea behind establishing this new hospital is primarily to keep updating our capabilities and to create more specialised units within the hospital to focus on key therapeutic areas.

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As an ex-politician and doctor as well, where would you like to see the healthcare environment developing?

Currently, the government does not financially support any of our patients. Despite the relatively good cooperation that we have established so far, I would like to see more collaboration between the public and private sector as I believe our healthcare environment generally could be a lot more advanced if there was more dialogue between all stakeholders. Should the government support the private sector, the latter can raise more profits to reinvest in promoting the medical capabilities of the island to an international audience, raise the level of care of our local patients and help build a better healthcare system.

I hope to see a complete shift in the way the Maltese healthcare system works. As explained, the system is not democratic as all citizens are obliged by law to pay their taxes, including the national insurance and VAT.

A healthcare system like in France, Luxembourg, Italy or Germany would actually be much fairer to all patients.

At present, patients can get free healthcare services only from state owned hospitals and health centres. Should they opt for private healthcare, they have to fork out all the expenses out of their own pockets. In reality this means that patients who for private are being ‘taxed twice’.

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