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There has been a real push to create a sustainable approach [to healthcare in Spain]

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Baltasar Lobato, managing partner of health and life sciences at EY Spain, highlights the major market trends affecting the public and private healthcare sector as well as the pharmaceutical market. He also gives an overview of the complex nature of the Spanish market, the importance of IT in creating a sustainable healthcare system and how EY plans to be part of the nation's future transformation.

What have been the three largest changes you have witnessed within the healthcare and life sciences market over the last few years?

Firstly, within the public health sector after the crisis, there was quite a lot of doubt about the sustainability of the system in the long term. Therefore, there has been a real push to create a sustainable approach, which is quite a challenge considering Spain has universal healthcare for all and only spends a balanced amount of GDP on public healthcare. An amazingly low number compared to many other developed nations.

This sustainable view we see going hand in hand with health digital transformation. Spain is moving forward in this area quite well, and this a good step for the healthcare system to reach the next level. If we integrate concepts such as big data, we believe this can be a game changer. For example, Andalusia is a real pioneer in health records and has stored data for seven million

patients over the last 15 years. This is great, but now we must use this data and create useful information, to be used to find ideas and new ways for decision making in management and clinical fields, such as the best oncology procedures or most effective surgeries.

EY is taking part in one such project. We have signed with a public healthcare department that will share with us around 20 thousand mammographs of patients when they are first diagnosed as positive, and the images of them a year before when they are negative. We then will identify patterns within the images to formulate a diagnosis a year in advance to the current system.

Secondly, it is the consolidation in the Spanish private hospitals network. In the past, the power of negotiations has been more in the insurance side. However, as an example QuironSalud and Fresenius Helios are now in a position to offer a unique proposal that brings competition to the market. They could offer a fully private healthcare platform through services that many customers will take on board. This, in turn, gives the power back to the medical professionals to negotiate with the private insurance companies, which will in turn drive down prices, saving Spaniards money.

Thirdly, in the pharmaceutical market, we see a change in who exactly is the end client. Traditionally the main customers for pharmaceutical companies were doctors, though as the healthcare provider looks more and more towards sustainability, they are shifting towards the best treatment in terms of outcomes and cost. Therefore, the companies now must negotiate mainly directly with the payers. So now we see that the traditional network of large sales teams has shifted toward smaller market access teams talking specifically to government officials. This creates more opportunities of a partnership interaction, and this is another field EY wants to involve themselves in.

Another trend we see growing in Spain is outcome-based payments. For example, a few years ago game-changing cure for HEP-C patients was released. Spain at the time had close to one million people with the condition, but the treatment cost per patient was around 40 thousand euros. To treat all these people would cost more than the entire annual healthcare budget, yet people expected to be given the treatment due to the model of universal healthcare. As a result, the idea of payment per results, in the long term, was put in place. This meant pharmaceutical companies had to be more involved in the collection of data and results, as well as having greater interaction with the payer.

Spanish healthcare is mostly divided into the 17 autonomous communities. In your expert opinion, should this model change in the future?

When Spain became a democracy and with the General Health Law (1986) the 17 autonomous communities were given the right to manage their own healthcare. From 1981 the 7 regions with a history of self-management were given this right, with the remaining 10 being controlled from a central point. The good results obtained in these first 7 independent region, resulted in the independence of the other 10 autonomous communities in 2001. Thus far, we believe the results have been very positive as it allows the patients of regions to have closer and more tailored healthcare.

Nevertheless, we do believe that it is time to rethink this concept and introduce some centralized approach for certain concepts. Centralizing the purchase of product would be one idea we would look into as there is no point in regions buying the same products independently. Also, integrating a central system of IT to collect the full patient's data should be implemented in the future, as currently, the 17 different systems do not talk between themselves in this IT capacity.

Do you believe that dedicating close to nine percent of GDP towards public healthcare is sustainable in the long term?

We need to make this the case, as we don't see a considerable increase in the health budget that Spain can allocate towards public healthcare. It is all about sustainable thinking, and the government must look at how to prioritize care to best allocate funds.

We see that the interaction with patients has shifted. Before, the patient would go to the doctor to find their problem. Now we believe this can change by giving people the tools to manage their own health.

Additionally, we could see changes in the interaction between the health and social sectors. In most countries, these two worlds are separate and do not talk enough, though we see that most chronic patients utilize both departments. If we were able to make an integration of both the health and social sectors, they could understand better the points of contact with patients and create a more efficient system for Spain.

What do you see as the future trends in healthcare?

Firstly, personalized medicine. Each company has its own way of treating a certain disease, and their unique process will then be taught at each hospital they have their product. If you have many players within a certain treatment area and each with a different treatment model, it makes it difficult to understand each and every step. We believe a way around this and to help simplify the system is through a unique personalized treatment platform approach that will adapt to the needs of the industry, health providers and patients.

Another future trend will be around chronicity. A large majority of healthcare expenditure is not for patients with isolated conditions such as diabetes, or cardiovascular problems, but for people with several issues at once and also with social problems. Treating each independent medical concern is not efficient, and we must manage these patients' collection of issues in a coordinated and joint manner.

The consultant world is becoming cluttered with many healthcare-specific companies to go along with the tradition Big Four. How does EY differentiate itself?

We are a unique company that merges life sciences with wellness. Additionally, we have the capacity to integrate IT with a business view and create the required strategy for the market. Furthermore, we witness that health companies are not only looking for consulting organizations who offer specific services but want partners that help in a transformation, and we are able to do this.

Where do you want to lead EY life sciences and wellness in the future?

We must use EY's platform of services and digital solutions to improve healthcare results. For example, with EY's IT solutions we could help diagnose conditions such as breast and skin cancers from just an image in cloud that is analyzed by digital algorithms based on neuronal networks. This is a simple way to diagnose a life-changing issue. And this really motivates me as I am originally a medical doctor and have always been interested in health services. To now be part of this, as well as helping to create a sustainable Spanish healthcare ecosystem, makes me proud.

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