Interview: Pedro Grillo – Chief, SIS – Peru

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Seguro Integral de Salud (SIS) is the social protection scheme run under Peru's Ministry of Health designed to provide health services to the country's unemployed and poverty-stricken citizens. Its leader, Pedro Grillo, discusses how new reform is helping to provide better treatments, particularly for oncology, and ultimately universal coverage by 2021.

Can you please introduce yourself to our readers?

My background is in medical surgery, and I am a specialist in health administration. I started working in public affairs in 1996. I served as director of Hospital *de Petróleos del Perú*, a Peruvian oil company. Then I went to work in Peru's social insurance institution EsSalud, in the field of internal institutional control as assistant manager of the office and institutional control of the hospital *Almanzor Aguinaga Asenjo* in Chiclayo. I then became the director of various hospitals in EsSalud and polyclinics. I became deputy operations manager of SIS in 2009. Since then I worked as COO, as well as manager for risk and performance-based assessment. I was also head of an intangible solidarity health fund (FISSAL) and was a senior management consultant in 2012. I have served as the head of SIS since 2012.

What are your biggest priorities today?

My first priority is to improve the delivery of services in public institutions for those insured under SIS. This required more funding; between 2002 and 2012, our budget was approximately 600 million soles, which was no longer sufficient for SIS. Since 2012 we have worked directly with the

Ministries of Health and Economy & Finance to achieve better funding to the public insurer that is SIS to provide better quality goods and services to those ensured under SIS.

My second priority is to improve the quality of information that SIS currently possesses. In 2011 our database had approximately 12 million insured citizens of which only 25 percent have been properly identified. Now this situation has changed. To fix this also required more funding; we are determined to improve the quality of care for our members through full identification. Between 2011 and today, SIS has properly accounted for 96 percent of its membership, which includes more than 15 million members. We have increased our number of insured members by 40 percent. Our identification of those insured puts us on par or even above the level of information of any private insurance company in Peru and many public insurers worldwide, in terms of identity security.

My third priority is to strengthen the hardware of this institution, including infrastructure, servers, and security issues. SIS experienced a data loss problem in 2009, which was catastrophic for us as an institution and subsequently we have installed new servers have greatly improved the operability of SIS. We have about 50 million transaction fee benefits per year.

My fourth priority was to directly introduce the process of universal insurance reform in Peru through the revision of our benefit plans to suit the needs of our policyholders. We also introduced a performance-based model exchange with other public institutions such as public hospitals and regional health facilities. We also exchange services with EsSalud and we purchase services to private providers of health services, in order to grow our supply base for our members.

How do you manage such a broad agenda?

When I became the head of SIS I found great persistency in my team. I call their efforts “institutional memory”, which is important for any manager entering SIS. Leveraging this institutional memory is paramount; many managers make the mistake upon entering an institution of changing everything and consequently losing the opportunity to absorb the experiences of the institutional memory, i.e. those who have lived the best and worst moments. The strength of SIS is its ethical and dedicated team. The idea has been to utilize a consolidation of the group while introducing new employees with more advanced ideas, tying the institutional memory with new concepts.

Who are the main suppliers of the medicines SIS provides to patients?

In terms of purchasing services, SIS interacts primarily with public institutions such as public hospitals and regional health facilities that provide public management services. However, we also

have purchasing services from private institutions, and we are launching a strategy that introduces the purchase of the delivery service of drugs in private pharmacies. SIS is currently preparing a tender for private pharmacy services. I say services because patients will be able to get drugs in the domestic private sector, and also receive pharmacotherapeutic support simultaneously. In other words, pharmacists will provide instructions concerning the use of drug, contraindications, and adverse effects, all of which are very necessary for the insured.

How will this model work in terms of buying drug delivery services? For example, one problem not directly related to SIS but to our public service providers also going through a reform process is drug shortages in public facilities. Usually, the immediate response to this is the purchase of drugs at private pharmacies. Then, if our members can find drugs in a public hospital they can claim the missing medication in a private pharmacy prescription can list several drugs but some are missing.

What is the implication of Plan Esperanza, which provides access to cancer healthcare for 100,000 Peruvians, in terms of growing health services?

In 2012 the budget of SIS was approximately 600 million soles; our budget today has grown to 1.705 billion soles. In three years we have almost tripled our budget, which has allowed us to expand coverage to a larger population directly but beyond that permits us to include new pathologies in benefit plans. This includes Plan Esperanza, which allocates 120 million soles for the treatment of lymphoma, leukemia, breast, cervical, colon, gastric and prostate cancer. This only targets treatment, but we are also working on strategies for prevention. Since 2012 more than 100,000 Peruvians have gained access to treatment with chemotherapy, radiation, surgery and in some cases advanced treatments with monoclonal antibodies where necessary for the treatment of cancer.

Besides this, there have been developments related to cancer prevention activities. Before Plan Esperanza, there was no conclusive information on what percentage of the population was diagnosed early with cancer. However situational analysis of cancer and information from INEN and regional institutes told us that approximately 70 percent of patients with cancer were diagnosed in the late stage. After two years of Plan Esperanza, 50 percent of patients are currently diagnosed in early stages and 50 percent are still being identified in later stages. In just two more years we should be looking at prevention and early diagnosis only. With early diagnosis there is another strategy aimed at private purchase of services; this is interesting because usually private enterprises are not part of preventive services. Private companies are generally more interested in treatment and recovery. SIS has launched a competition for the recruitment of roaming services for early diagnosis of cervical, breast, skin and prostate cancer through private institutions. This

project is called Esperanza Móvil, and will provide Peru with a national model of early diagnosis of cancer that could even be imitated by other countries.

What is the strategy to decide which services or treatments are best for citizens who need unique services?

In principle we have a benefit plan defined by a supreme decree that establishes the minimum provisions of SIS, called the “essential insurance plan”. Additionally, SIS assesses the frequency of other pathologies for which our members have needs in our hospitals; based on that frequency we have defined another group of conditions or diagnoses that have been introduced in our benefit plan. The essential insurance plan includes approximately 1400 diagnoses, and the supplemental plan includes about 8000 additional diagnoses. We also have a list of high-cost illnesses including seven cancers and chronic kidney failure, the latter of which is seen frequently among our members.

The type of treatments we can gradually introduce, whether they are alternative or complementary to existing treatments, is based on an evaluation mechanism called health technology assessment (HTA). New drugs or interventions that have not been previously funded by the SIS are evaluated to determine their cost-effectiveness or cost- utility before being used on SIS’s members. Considering our budget is finite, the budgetary impact of new technologies, drugs, and interventions are also considered. If a product passes these criteria, then SIS makes room for these products in its budget.

In 2015, for the first time SIS will have a calculated methodology actuarial study premium, through cooperation with the IDB. We have hired an international actuary who has calculated premiums for all of our members to be presented this May at a public event nationwide. This premium will serve us henceforth to subsequently negotiate directly with the Ministry of Economy and Finance, the amount of which will be transferred annually. We will also serve for our other products which are for independent entrepreneurs running their own businesses with no staff but have family. Although many of them should no longer be subsidized by the state, SIS gives them an option called “entrepreneurial SIS”, while another group of freelancers who work for fees have “independent SIS”, which is semi-subsidized or semi-contributory. These two groups are already financially stable, and for that we will also serve the calculation of this premium.

How will you measure success over the next five years?

Looking towards 2021, our aim is for every single Peruvian to be insured, whether that is through the social security of EsSalud, SIS, private insurance, or through the funds of the armed forces and

police. The gap is still large, as there are still over six million people without any coverage. Nevertheless, in just a few years we have increased coverage from 35 percent to 70 percent of the population. I am enthusiastic that by 2021 we will have achieved full coverage.

What message would you like to communicate to all stakeholders concerning Peru's health reform?

My message is aimed at all those who are involved in this reform process, including those who are for and against reform. The process is probably not perfect, and development will take time; but I am completely convinced that we are headed in the right direction.

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