Interview: Prof. MUDr Jan Žaloudík – Chairman, Committee on Health and Social Policy, Czech Republic Senate



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The chairman of the committee on health and social policy of the Czech Senate names the role that health insurance companies inherit and the transparency of the healthcare system as aspects in need of reform, while highlighting that the system overall is effective and stable. He also elaborates on how the pharmaceutical industry has developed from an opposition in the 1990s to a potential partner for the benefit of the Czech population.

Could you please briefly introduce yourself and your work as chairman of the committee on health and social policy in the Czech senate?

I inherit three roles within the complete Czech healthcare system. For me personally, the least crucial role is advisor to Prime Minister Bohuslav Sobotka. I can advise on different issues and challenges, but I will never know what has been accepted and what wasn't. However, I often see results and implications of my recommendations. For example, I suggested a ten percent pay rise for selected healthcare personnel, nurses for instance, and now there's a directive of a ten percent pay rise for all healthcare personnel. I like to describe this role as analogous to advising friends of how they should behave; you can never predict the outcome.

The role as chairman of the committee on health and social policy is a role of responding to the debates and resulting legislation suggestions in the government and chambers of deputies. We are very similar to a scientific board set in the context of the government, which I really enjoy; although we are not permitted to directly be involved in the management of decision making. I compensate the lack of a direct management mandate in my capacity as chairman of the committee with my third role as director of the Masaryk Memorial Cancer Institute in Brno; if I couldn't directly impact health in the Czech Republic, I would be very frustrated.

In 2012 you published, 'Dozen RECOMMENDATIONS CSSD Health Board to remedy health policy in the Czech Republic after the Social Democrats in government,' naming as first point in need of reform the artificial impoverishment of hospitals. Is this still a hot topic for you?

That issue depends on the available data and unfortunately the data needed is not vastly available. I know for a fact that we have hospitals which, economically speaking, are doing very well, however, the hospital next to it might be one billion crowns (USD 41.8 million) in debt. I attribute either of the results on the sound business acumen or mismanagement of the respective directors of the hospital, not on the healthcare system. As a matter of fact, the issue is not the healthcare system at all here, but the ministry of health that ignores management practices in hospitals, and I fear that we may reach a point where there is nothing left to rescue from some of them. However, I would like to highlight that I am referring to only few examples existing in the Czech Republic. Overall there is nothing that could be titled a 'crisis'. Quite the contrary: last year the state controlled hospitals had a revenue of 500 million crowns (USD 20.9 million)!

The ministry of health recently issued the national strategy of 'Health 2020;' as an expert on the Czech healthcare ecosystem, how do you assess the potential impact of this strategy?

The direction given is fine. I am confident that the majority of it is valid, achievable and realistic; but more often than not it is too general. Nobody would object to targets that aim to increase the overall health of the population! But in addition to your targets you have to lay out the 'how-to' as well. I would like to see how it will be implemented, who the individuals responsible for implementation are and how development will be measured. For the national strategy on health by 2020, it is of upmost significance that the ministry of health gains and maintains full control of the implementation process. That would allow the ministry to additionally implement a 'Health 2018' within the Health 2020 masterplan, as much of it can be implemented faster.

To achieve the latter, we need full data access and transparency! The ministry needs to know the exact amount, allocation and purposes of its healthcare budget; if this is given I will be able to tell you which parts of Health 2020 can be achieved, which can't be achieved and what of it is pure theory.

You are not only the chairman of the committee on health and social policy, but also one of the leading Czech oncologists. One part of Health 2020 is establishing specialized care units to concentrate the availability of innovative treatment to certain diagnostic areas. How well has this affected your area of expertise so far?

There are already fourteen of these specialized centres established in the Czech Republic; the issue is that the progress is still quite undefined. The leading centre is located in Brno—if it was located in Prague it would be considered to be the 'national cancer institute'—it's part of the European cancer institution and brings the highest quality care to Czech patients. The system of these fourteen centres is working: new treatments, especially biological drugs and highly sophisticated technology, are concentrated and thus used for the maximum benefit of the patient. Establishing this system of highly sophisticated oncology treatment was not luck! A lot of work and a tremendous amount of convincing was involved in this achievement.

Frankly speaking, I am proud that this is the result of the combined efforts of the professionals in the Czech oncology therapeutic area. For instance, a similar system established for cardiology is still missing in the Czech Republic, although treatment and science itself are of the highest standard in this area!

Having the national strategy of Health 2020 in mind, along with the fact that 2016 witnesses the highest budget ever allocated to healthcare in the Czech Republic, what are the challenges and what needs to be done to address them?

Our prime minister, Bohuslav Sobotka, recently said that the Czech healthcare system is stable and I align with that statement to its fullest! But, it resembles the stability of a jungle. As stable as it is, it lacks transparency, efficiency and isn't necessarily the friendliest towards innovative technology. As a patient, it is possible to go through the system and get effective results, however, it won't be fast. One of the larger issues lies within the high costs for innovative drugs and technology. That innovation has a price, however, should be obvious. What is missing is a proper evaluation of value for price. For instance, we lack a health technology assessment to compare robotic surgeries and thus determine differences in quality that may reason a price difference. This is even more pronounced in case of so called new biological drug therapies for oncology, rheumatology and

other disciplines. In a nutshell: our healthcare system is very conservative, and it should be transformed with the underlining goal of enhancing its dynamics and flexibility.

Financing of the healthcare system is another issue. Our minister of finance, Andrej Babiš, eloquently described it as ‘black hole’; which I fully contest. A black hole simply needs to have light shed on it; Czech healthcare financing however resembles a tumour that has spread: a challenge that is hard to find a solution to and in need of time! I believe that some aspects of the financing and allocation of the former is great and should be maintained, other aspects are designed to comfort certain stakeholders and should be revised, and others are downright wrong and should be eradicated. An example of the latter is that often private medical institutions perform exams on patients despite the lack of medical need, solely to increase their piece of the healthcare spending pie!

The insurance side of the healthcare is in need of reforms as well! It is not rationale to allow competition in between the health insurance companies, which only distributes money from one mandatory public health insurance, or obligatory health tax if you wish. This economical competition has led to a situation, where a health insurance sends out free vitamin C packages as a benefit to their members, but doesn’t have the capability to differentiate between two completely different health situations or optimal therapies. For example, Skoda Health Insurance has roughly 140,000 members and is supposed to compete with the General Health Insurance with about six million members! A couple of years back, I had the idea to establish a similar system to UK’s National Health Service in order to find a solution for the health insurance dilemma. Unfortunately, it would have been impossible to implement due to high amount of bureaucracy involved and would have lowered the overall standard of treatments received by Czech patients. The concluding challenge our system faces, despite it being stable and functioning, is the financing of the system including the financing of the health insurance companies—this has to be revised!

The health insurance companies had a positive balance of USD 19 billion in January 2016, however, are complaining that this will not be sufficient. On the other hand, healthcare spending in recent years has continuously been on the rise. What would you identify as a sustainable solution?

A key issue I identify is the personal responsible for the health insurances. Scrutinizing the different backgrounds, one would find that these are economically and technically dominated, however, these should rather be of medical nature. Once certain decision makers are in place, they naturally need significant time to accustom to their new business—and purpose—environment and then start clinging on their positions thus becoming a challenging gatekeeper. It is not beneficial for the

patients and healthcare system when the gatekeeper needs to learn about certain diagnoses; you need them to learn how to drive progress and be rationale for the benefit of the whole Czech population! This segment of our healthcare system is in desperate need of reform and I can only urge the responsible authorities to do so in a non-destabilizing way. Relevant decision makers are very well aware of the circumstances surrounding the health insurances and its solutions. Unfortunately the current underlying philosophy is, that everybody likes changes but nobody wants to change.

From your perspective, how would you define the role pharmaceutical companies should play in the development of Czech healthcare?

Pharmaceutical companies in the past, especially in the 1990s, treated the Czech Republic as a banana republic. In those times, I repeatedly urged for the implementation of sophisticated regulation similar to countries like Germany or the UK. Nowadays, the circumstances are significantly better and I have very positive experiences with the pharmaceutical industry. I often discuss healthcare issues with Jakub Dvořáček, the executive director of the innovative pharmaceutical association (AIFP), in order to gain a perspective of each other's concerns and realize where we agree. For instance, we agree that we need to establish pathways of faster market access for drugs and treatments as well as faster cultivation of those in our hospitals. Clinical trials is only one side of enhancing the public health, clinical promotion and sales is another. 15 years ago I implemented a clinical evaluation department in my hospital, unfortunately 15 years down the line this has not spread widely among other hospitals! It should start from the bottom and go to the top! This is the signal we need to give to the pharmaceutical industry, so we can fully realize synergies between the public and private domain on healthcare issues!

From a historical perspective, I am very optimistic! If you were to interview me five years earlier I would have been much more critical. Now, however, I am confident that we are on the right track and that in future we can become partners rather than opposition.

Where do you see the Czech Republic in the future?

I would wish the Czech Republic to be part of a confederation of European nations similar to the USA. Frankly, I don't see much of a bright future for states thumping on their historic policies and keeping their healthcare system closed. We need to harmonize, and unify rules and regulations and become truly one! I realize that there is a long way ahead to realize the European synergy potential, but this is what I wish for the Czech Republic!

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