Interview: Mariusz Ignatowicz – PwC Healthcare Sector Leader, Poland and CEE

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Mariusz Ignatowicz, PwC healthcare sector leader for CEE, discusses the funding of the Polish healthcare ecosystem and the need to find an alternative payer in the long-term Additionally, he highlights PwC's services and the overall requirement for data to be taken into more consideration in Polish healthcare to ensure accurate and precise decisions.

How has PwC adjusted to the shift in Polish healthcare over the last few years?

Change is the constant for every consultancy and has been triggered in Poland due to multiple political changes. Such change simply requires adjustment from us and the entire market – from the major players to the payer. The last election has brought about much more compliance-oriented projects, due to the higher risk-aversion and digitalisation that is affecting the healthcare industry. All in all, change is bringing us valuable business opportunities.

Who are the major clients of PwC Poland and how important is the life sciences sector for the company's operations?

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We mainly serve large multinational and local companies. We used to work quite extensively for the public sector, especially hospitals, but this dramatically changed over the last two years. The main reason for this shift is the transformation of the public healthcare's concept. The sector used to struggle defining whether it should be considered as a business or as a mission – eventually deciding the latter. As a result, any business in the public area has been extremely difficult to come by.

Healthcare, among all PwC Poland operations – from auditing, tax advising, legal, business advising to the digital division – is considered as one of the main strategic areas, regardless of the local and periodical struggles of the sector. This is due to the fact there is an increasing demography, epidemiology, cost and demand for healthcare services in Poland.

What are the main challenges your customers are facing within the Polish healthcare ecosystem?

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The main challenge remains the gap between the available finances provided by taxes and the demand. The number of healthcare users is expanding while the number of payers to increase the national healthcare budget is declining; therefore, it is becoming extremely arduous to finance the current system.

The development of healthcare and pharmaceutical services is highly restricted due to the country being forced to only have access to the public payers and there is definably a lack of alternative sources of financing. In fact, it is discouraged to combine different sources of financing. For inpatient care, it is simply impossible to build a concept of private insurance financing. Outpatient care does enjoy a significant chunk of private investment, yet it still needs to use public funds, which blocks the development of healthcare insurance.

The government has proposed to raise the GDP for healthcare to six percent by 2025. In your expert opinion, where do you believe these funds will come from and do you believe six percent is an achievable goal?

First and foremost, it a crucial step to increase the percentage of GDP dedicated towards public healthcare. There are two options when it comes to raising the budget. The first is to boost taxes being payed by Poles. However, I doubt this is a viable solution, as there is a serious hesitation from the government.

I am convinced that the most probable option is private insurance as it is the easiest way to combine unlimited access for public money and additional financing. This alternative would of course require many adjustments, such as redefining the guaranteed treatments portfolio and revising the schemes of some treatments. Additionally, the insurance sector would need to learn quickly how to apply historical data to build up such models.

What is being done to trigger Polish pharmaceutical innovation?

The whole industry has welcomed the Morawiecki plan. Its main goal was the development of biotechnology in Poland, though two years have passed since the plan has was proposed, and still not much has been put in place. A few valuable plans have emerged, such as the Development of Reimbursement scheme (RTR), that aims to speed up the investment of innovative parts of the industry. I believe this was a decisive step and attempt to reward innovation and engagement to developing the Polish economy. One can see the positive results with a booming number of new molecules being registered since then.

What steps must Poland take to be considered as a clinical trial hub within the CEE region?

There are many positive factors that are contributing establishing the country as a clinical trial hub in the CEE region. Firstly, there is a high demand coming directly from the population, especially as since the nineties many innovative therapies were not available in Poland. Additionally, the quality of Polish medical personnel is comparable to Western Europe, while in the meantime coming at a lower cost. These two factors are a perfect soup blend for clinical trials – though unfortunately – some ingredients are damaging this incredible taste, such as administrative practices and discouraging regulations related to insurers.

How well prepared is Poland for the digital revolution that is overwhelming the business world?

On one side, I have been leading two main digitalisation projects in Poland. They were financed through the European Union but coordinated by the local government. These projects combined over twenty institutions – from hospitals to emergency units – so you can have immediate access to your testing results. However, there is still no integrated platform, therefore, the projects have not reached their full potential.

On the other side, we have published a report in 2016 on the eagerness of using telemedicine in the sector. We have been working with companies in this area, because as labour cost rises it is becoming increasingly challenging to bring healthcare to remote Poland. Telemedicine may help the providers to deal with this issue and we are working with local start-ups to develop this sector and looking for investors interested in such project. Patients are ready for telemedicine, yet the Polish payer is not, so without any funds to finance the technology, the use of telemedicine will remain very limited in Polish healthcare

What innovative services is PwC offering, especially when helping companies adapt to the intricacies of the Polish healthcare ecosystem?

We have developed pilot services around lead management in the healthcare sector. In fact, lack of financing is often the result of poor fund allocation. The public healthcare is lacking in efficiency, especially important as budgets are extremely tight.

We assist hospitals improve their internal efficiencies through reorganization of their services. Every year, we publish an index of the Polish healthcare efficiency and it presents three dimensions: medical outcome, medical effectiveness and patients experience. We introduced this index to the Polish community because we feel there is a lack of evidence in the public sector.

For example, when comparing the number of survivors from breast cancer with the money spent on those patients, there is no correlation between the outcome and the amount spent! In order to make hospitals more efficient, you need to first have reliable data to start understanding where inefficiencies come from and then you will be able to efficiently fix it. Although the NFZ is the biggest owner of healthcare data in the country, it is not analysing it correctly.

Until the NFZ does understand and analysis its information properly, it is my personal ambition to provide comprehensive data analytics on the industry through PwC’s index reports that are neutral and fully transparent

How do you wish the government and industry to view PwC in the polish healthcare environment?

We want to be seen as neutral as possible. We work with all parties involved as we do not see any contradictions between the worlds of public and private healthcare, and the commercial and government sectors. Although, there is sometimes a conflict of interest, there is no permanent contradiction because everybody is struggling for better efficiency and growth. All areas are interconnected.

Moving forward, what are your ambitions for the Polish healthcare ecosystem?

Poland must find an alternative payer to the Polish healthcare ecosystem, instead of the current monopolist national healthcare fund. My personal ambition is to offer better healthcare economics and ensure hospitals can make decisions based on hard evidence backed-data.

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