

Interview: Joaquim Cunha - Executive Director, Health Cluster Portugal



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Joaquim Cunha, executive director of Health Cluster Portugal - a private, non-profit organisation dedicated to the consolidation of Portugal's healthcare industry - discusses the up and coming changes to the healthcare sector through the innovative use of technology and its data. He also highlights why a new era for the sector is needed through the creation of innovative agencies.

In 2013, we discussing how Portugal was preparing for a new era of development through the framework programme Portugal 2020. From 2013 until today, what have been the main areas of development?

We have had major achievements due to the maturity of the three main pillars of this sector: the companies, the healthcare providers, and the R&D system. They have combined together despite the terrible crisis. As you can imagine, there was a large reduction in profits which was a difficult time for many, and still is now, as I have not seen a recovery of margins. However, despite the difficult times which reduced financing and had negative consequences in health care, I have high expectations for the future. Our major indicators, along with quality from our professionals, are effective and rank Portugal quite high in its global approach. I would say that we have overcome the crisis from a healthcare point of view, and gained competencies and resilience, due to the extreme commitment of our professionals, who work all the way to the limit.

For Portugal, the main challenge seems to be the move from the scientific base to the commercial stage. What do you think the country needs in order to facilitate this move?

Currently, our main problem is the culture associated with companies, not due to the crisis, but due to historical views of mistrust of the private sector. For many of us, an entrepreneur, is, at first sight someone less honest, and this stereotype does not promote a line of trust. It would be beneficial not to distinguish between the public and private sector, but to separate between the institutions that are efficient and those that are not.

We want to highlight the companies that maintain the balance between the cost and the quality of the service they offer to their clients and patients. Although formal speeches of our politicians and leaders talk about supporting start-ups, we need something drastic that will drive change. In this context an important role for the state and public powers will be the one of regulator and evaluator of different players in the sector. I am, however, aware this will not happen overnight. The change will be gradual and, unfortunately, slow.

From our last interview five years ago, it was highlighted that Southern European companies were not regarded internationally as a fertile ground for investment. Do you disagree with this, and if so, what do you think are the strengths of Portugal in this sector?

Without a doubt I disagree with this, because the quality of our scientists and workers in the healthcare sector is our main asset. It could be said that we have developed a structured learning system and that our people are very well prepared. When you balance the quality and the rewards, human resources are our main strength and should be put forward as the main argument to attract direct foreign investment. Not only is the quality good, but also the quantity. There are 600+ graduates every year with a PhD in areas related to health and life sciences, which is a significant amount when you look at the small population of Portugal.

However, if we do not find occupations for these graduates in the companies (traditionally they were oriented to the public sector), then the R&D system will collapse, and qualified unemployment will start to rise. This is the biggest challenge we have ahead where direct foreign investment is the sustainable and positive answer.

The Minister of Science and Technology said that Portugal wants to position itself in European leadership, specifically in the fight against cancer. We also saw a new strategy for development and innovation until 2030. As an expert in this area, what is your personal assessment of this strategy?

There is a national debate about the 2030 agenda where you can find a large consensus between the main players that cancer should play a central role in shaping the new strategies for health R&D. The tendency is to centre the solutions in the personalized medicine combined with the empowerment of the patient or, better, the citizen. Most of the common diseases depend on lifestyle, and I would say that this is also a topic for the next 10 years and beyond, as patients will have more to say about their treatments and over their options of life. Portugal has an interesting group of scientists and R&D institutions that are well ranked in the global competition.

The approach to tackle this will be interesting in coming years. The challenge could be how to turn companies more efficient using the active collaboration with academics and with clinicians. There is new hope for diagnostics where a star role is reserved for medical technologies and for the intelligent use of ICT. This is a fantastic opportunity for Portugal and for our recognized competences in these fields.

How important is the role of digital technology in the health care sector?

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The intelligent use of ICT is one of the most powerful and efficient answers to some of the major challenges we have ahead in health research, management and treatment. However, there are important restrictions and sensitive regulations for the use of data in the health care environment which requires new and innovative approaches. Without ICT, however, the sector would not succeed. We rely on new integrative data strategies, and on the good use of it.

HCP owns the TRIS HCP platform, could you tell us more about it? Are you planning to develop TRIS HCP any further?

TRIS is an internal network between hospitals and research institutions. The main purpose is to create strength, so the collaborators can promote themselves as good service providers to global market. Despite the perceptions of the business world, the mind-set is changing, and R&D institutions are willing to meet and collaborate with global companies more and more. Nonetheless, people are unsure, and it is important for the key players to think and to conclude on their own that without this global competitiveness approach, there will be no finances and thus no business. There is now a concept of innovation, the so called open innovation, and big pharma and medtech companies are in search of new products. This gives smaller institutions a big opportunity to show that you do not need to be in the United States to sell a good idea.

Portugal are also in the later stages of becoming part of the European Network EATRIS, hopefully the health minister will be signing this agreement in the next couple of weeks. This shows the government's commitment and focus to research. It is a way of internally organising our clinical research to become more competitive.

Another important plan that Health Cluster is at the forefront of is the Biomedical and Research Innovation Agency. Why does Portugal need this agency and how important do you think its role will be?

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As you know this agency does not yet exist, the project is currently "on paper" but there is a large consensus on its opportunity. The health sector is different from all the others due to its nature and characteristics. We have problems with research reaching the market in an efficient amount of time. I am being optimistic, but with an agency like this we will have specific advisors dedicated to evaluating projects and making them successful. We cannot support all research ventures, so we need to define clear priorities of projects and concentrate on those that will reach the market and ultimately help benefit the patient. Not only will this agency be a strategic tool for the government, in supplying options for 2030 budgets, but it will be beneficial for everybody in the industry.

Portugal is one of the longest when compared to other countries in Europe. Do you believe that is also a priority for today's government to try and change?

It is critical that Portugal is one of the European countries with the longest time for approving a new medicine. Probably due in a large extent to bureaucracy. Everyone wants to feel important and so everyone wants to have their seal of approval taken into consideration. I would say that we need to be drastic and we need to make cuts to this, perhaps this new innovation agency could have an important role on this regard.

Health Cluster Portugal plays a strategic role in the success of the health care sector in Portugal. To close, what is your vision for the future of this cluster?

For me the main asset of Health Cluster Portugal is the more than 170 institutions that we represent. This, however, is also our weakness. Due to the diversity of our members – companies, universities, clinics and other institutions, it is a permanent challenge to balance their different ambitions and expectations. That is why we are creating sub clusters where groups of members with the same interests and specialisations could easily and efficiently cooperate. At the end of

day, this will undoubtedly become a strength!

For example, I am particularly proud that we have managed to reach consensus within different stakeholders and institutions in order to promote Health Tourism. We know we have good services and good people and we want to extend this reputation globally. We are winning awards in terms of tourism, but this needs to be inclusive of the health sector. We need to market Portugal in “Medical Tourism” space. Every gain we have in terms of reputation needs to be communicated internationally. This strategy is not only important for the businesses but for the health care value chain.

Lastly, it is crucial that Portugal attracts one or two sizeable foreign investments in health related businesses. We have important arguments to support this ambition, among them I will select the quality and competences of our human resources. This would also help change the artificial dichotomy between public and private and put the focus on the essential: health is one of the most relevant engines for social and economic development now and with more intensity in the future.

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