Thomas Antoniou – Chairman, Cyprus Health Insurance Organization



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The Cyprus Health Insurance Organization (HIO) was established in 2001 under Law N.89(I)/2001 as a public legal entity

with the mission to implement a General Healthcare System in Cyprus. As the chairman of the organization, Thomas Antoniou outlines the challenges, opportunities and strategic priorities for the HIO in the coming years.

What is the Health Insurance Organization's purpose?

The purpose of the HIO is the implementation and operation of the General Healthcare System (GHS) in Cyprus, based on the philosophy and basic principles which are clearly prescribed in the legislation. As prescribed in the Law, the GHS will be a single-payer system which will be based on the principles of universal coverage, equal access of all beneficiaries to healthcare services, solidarity, and free choice of healthcare providers by the beneficiaries.

The implementation of the GHS is the most significant reform within the healthcare sector in Cyprus' history. The need for the reform is imminent and is underlined by various factors. In particular, out-of-pocket expenditure is currently approximately 50 percent of the total health expenditure, when we know that anything over 15 percent is catastrophic, whilst the healthcare sector is fragmented into the public and the private sector, which operate completely separately to each other. As a result, the public sector is overloaded as it struggles to serve the needs of

approximately 75 percent of the population whilst its capacity can only serve 50 percent, leading to long waiting lists and other significant problems in the provision of services to patients. At the same time, the private sector is expanding in an unregulated manner leading to an endemic supplier induced demand and the beneficiaries paying out of pocket to cover their healthcare needs.

What are your current priorities?

The HIO is working intensely on the basis of the roadmap which has been approved by its Board of Directors in order to achieve the deadlines for the implementation of the GHS, as stipulated in the 2017 Amending Law. In particular, the first phase of GHS which includes the outpatient services (family and specialist doctors' services, drugs and lab tests) will commence on 1st June 2019, and the full implementation of the system, which mainly includes the inpatient services, will commence on 1st June 2020.

More specifically, the HIO is currently working on the development of the IT system which will form the backbone of the operation of the GHS, the preparation and promotion of the secondary legislation of the GHS to the Parliament for approval, the procurement of professional services for the execution of the GHS communication strategy so that both the beneficiaries and the healthcare providers are informed on everything they need to know about the GHS, and finally, on the budget and reimbursement negotiations with the representatives of healthcare providers for the first phase of the GHS.

How would you assess the collaboration between stakeholders across the system?

The HIO has a policy and philosophy of total transparency, accountability. In this sense a consultation process and close collaboration with all stakeholders is central to everything we do. Given that the implementation of the GHS constitutes a major reform, it was expected from the beginning that various challenges would arise on the way, particularly when it comes to changing the status quo in order to achieve substantial reforms in the provision of healthcare services. Nevertheless, we strongly believe that any challenges can be overcome if all stakeholders collaborate closely and in good faith with each other and remain committed to the achievement of the end goal. The benefits from the implementation of the GHS are very important both for the patients and the healthcare providers and therefore all stakeholders should stay focused and work closely with the HIO for the successful implementation of the GHS.

How do you respond to questions regarding the design of the GHS?

The GHS design is the result of a long process of negotiations and consultations with all stakeholders on one hand, and on the other a product of careful review of international experience and best practices. Well-known international experts assisted us in the design of the system and adoption of best practices which are implemented successfully in other countries across all aspects of the system. At the same time, it has been adjusted to local realities. For instance, some of the best practices adopted include the Global Budget, the Family Doctor concept, the payment methods (capitation fee, Diagnostic Related Groups, point system) the IT system, and generic penetration policies for pharmaceuticals.

With regards to pharmaceuticals, it is worth mentioning that the sector is currently segregated between the public and private sectors with different characteristics. For example, in the public sector, generic penetration is much higher than in the private sector. With the implementation of the GHS, the pharmaceutical sector will be unified and generic penetration will be implemented to the whole sector through reimbursement and other policies such as generic substitution. As a result, these policies will lead to significant savings that will be invested in innovative products and treatments that will ultimately benefit of beneficiaries of the system.

Which systems in Europe do you intend to copy with regards to pharmaceuticals?

The GHS will not copy the model of any other specific country. Instead, it will adopt best practices in the pharmaceutical sector such as generic substitution which is applied for example in Belgium, Spain, Italy, the Netherlands and Sweden, and reimbursement policy based on the active substance, in order to promote generic penetration. At the same time, doctors will be able to prescribe drugs without any restrictions by the system, thus taking into account the local reality.

What are your key objectives for GHS?

The key objectives of the implementation of GHS is the universal health coverage of the whole population so that each beneficiary will receive healthcare services in accordance to their needs, and at the same time contribute to the financing of the system in accordance with their income. This will be achieved through the adoption of social insurance single payer system that will unify the private and public sectors. At the same time, this will lead to the improvement of the quality of services, as providers will compete for the provision of services to beneficiaries. Central objective is that all beneficiaries shall enjoy equal access to treatment and free choice of healthcare providers.

In Cyprus, collecting data is notoriously difficult. What is your plan of action to address this chronic issue?

Currently, the lack of data is due to the fact that we have two separate, uncontrolled and highly unregulated sectors, the public and the private, which make the gathering of data difficult. After the implementation of the GHS, all data in relation to the provision of healthcare services and the actual health expenditure will be recorded in the IT system, including data on diagnosis, prescribing, referring, claim submission, and payments. Our aim is to utilize fully the advantages offered by electronic health to the benefit of the beneficiaries and use the data for the analysis and improvement of the system's performance.

What is your final message to our international readers?

My final message is that the HIO will continue to work intensely so that the deadlines for the implementation of the GHS, are met and the objective of universal coverage and equal access are realized. Although we understand that there are no reforms without challenges, we are confident that any challenges that will arise on the way will be overcome with the close collaboration of all stakeholders.

At the same time, we must emphasize that the implementation of the GHS has the full backing of our society as well as of all political parties and the government. Hence, we are very confident that in approximately nine months from today, the long-awaited reform will eventually become a reality.

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