

# Interview: Mikel Arriola – General Director, IMSS, Mexico (Part One)

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21.07.2016

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*In part one of a two-part interview (read part two here), Mikel Arriola, the recently appointed general director of IMSS (Mexican Social Security Institute), which provides health-related services to more than 70 million beneficiaries, reveals his fundamental priorities to both secure IMSS' financial sustainability and improve the quality of services of an institution that proudly stands as the largest of its kind in Latin America.*

**You were appointed general director of IMSS by President Enrique Peña Nieto on February 8<sup>th</sup>, 2016 following almost five years as Federal Commissioner of Cofepris (Federal Commission for the Protection Against Sanitary Risk). Could you please start by introducing**

## **the role, function and purpose of IMSS within the Mexican healthcare ecosystem?**

The Mexican Social Security Institute was created in 1943 as a direct consequence of the Mexican Revolution, which had as one of its main aspirations to finally achieve the long-awaited set-up of a modern health and pension system in Mexico. IMSS was the first social security institute in the country and now proudly stands as the largest and most comprehensive institution of its kind in Latin America. In 2016, IMSS will provide more than 70 million Mexicans with health services, and pays more than 3.5 million pensions to its beneficiaries every month. To fulfill its crucial mission, IMSS gathers within its walls more than 440,000 medical and administrative employees.

One of the main specificities of our institution lies in this two-fold mission, as we are in charge both of providing health services and paying pensions. Being the largest provider of medical services in Mexico, IMSS' medical network comprises approximately 6000 health centers, from family care to hospital and specialty care, this latter being handled by a nation-wide network of 36 hospitals covering almost all medical specialties. In this regard, the depth of our medical service portfolio is absolutely unrivalled in Mexico, as for instance Seguro Popular – the public institution providing health service coverage to people not affiliated to any social security institution – only offers ten percent of our total service portfolio. In the meantime, IMSS also stands as the biggest pension fund in Mexico and probably in Latin America, with pension-related expenditures of around 70 billion Mexican pesos per annum [USD 3.8 billion].

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## **What is the primary mission that has been assigned to you by President Enrique Peña Nieto?**

As IMSS' income flow is independent and does not come directly from the federal government, my mission is above all to guarantee the financial sustainability of the institution. IMSS resources come from a tributary tax paid by both employers and workers of the formal, private sector. The importance of this mission is further foregrounded by two main reasons. First of all, the Institute faced a very serious risk of bankruptcy in 2012, which would have had dramatic consequences for the Mexican population. Secondly, the demographic and epidemiologic transition of our country has a negative impact on the sustainability of our financial model.

For instance, 40 years ago, for every pension paid, we counted 14 workers financially contributing to the institution – while this ratio recently slumped to five workers for every pension paid in 2016. In the meantime, chronic and non-communicable diseases have further deepened an unequal resources allocation, as 80 percent of our health expenditures are used to treat only 20 percent of the Mexican population, affected by only three main illnesses: diabetes, cancer, and cardio-vascular diseases. Furthermore, although we benefit from all-time high employment figures and robust economic growth, IMSS' income is currently increasing by only five percent every year, while the health expenses related to these three non-communicable diseases rise by seven percent a year.

I want to further improve the quality, the impact, and the efficiency of our health services, notably in terms of medical procedures, which should also have a positive impact on our cost-effectiveness.

As a consequence of the bankruptcy risk that we faced in 2012, José Antonio González Anaya, the former Director of IMSS, implemented a very aggressive policy of cost-containment, targeting all expenses not related to health or to the payment of pensions. As a result, IMSS' annual deficit, which amounted to around 25 billion pesos (USD 1.4 billion) in 2012, decreased 60 percent to eight billion pesos (USD 448 million) in 2016.

To further streamline our cost structure, it was also decided to reduce the unbelievable amount of red tape generated by the institution, as our beneficiaries had to come in person to our offices to see their medical or pension claims treated. From 2011, IMSS started to develop a substantial digital capacity to manage the 4,000 procedures we handle every day. In 2016, 72 percent of our submissions are now digitalized, and, only for 2016, we expect to handle 45 million digital procedures in total. Finally, the digitalization of our procedures also allows us to make savings of around four billion pesos per annum [USD 217 million].

**Besides ensuring the financial sustainability of the Institute, what are your other main tasks at hand?**

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I want to further improve the quality, the impact, and the efficiency of our health services, notably in terms of medical procedures, which should also have a positive impact on our cost-effectiveness. In this regard, we currently concentrate our efforts at the family care level, which makes up 75 percent of our health demand.

First of all, we identified that patients without a medical appointment had to wait at least four hours to finally receive medical attention, while it usually doesn't take more than 30 minutes with an appointment. To tackle this discrepancy, we have been implementing our UNIFILA program since March 2016, which ensures patients don't have to wait more than one hour to receive medical attention, even if they don't have an appointment beforehand. Furthermore, we now ensure that patients can set up a follow-up appointment with their doctor in less than 30 minutes, while these appointments used to take up to four days to be confirmed. Given the success of our UNIFILA program, we are now progressively implementing it in all our health centers, while after only a few months it is already available in more than 30 percent of our total health network.

In the meantime, we strive to further reduce the cleaning and preparation time needed in the turnover of hospital rooms between each patient. While it used to take up to 22 hours to make the room ready, we have been able to reduce this procedure to less than eight hours. IMSS has also started to conduct surgeries on weekends, which hadn't been done ever in Mexico. Since this measure has been implemented in April 2015, over 2,070 surgeries have already been realized on weekends, out of a surgery backlog of around 8,000 operations.

Finally, we continue to intensify our training investments to upgrade the quality of our medical and administrative services, and we recently launched an intensive and comprehensive training program that will affect more than 180,000 of our employees up to 2020. Obviously, we are also implementing dedicated indicators to precisely monitor the impact of this training and identify remaining room for improvement. In this aspect, IMSS' main union, which covers around 350,000 of our employees and stands as one of the most powerful unions in Mexico, is completely aligned with our objectives and has very positively welcomed these training efforts to improve the quality of our services.

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