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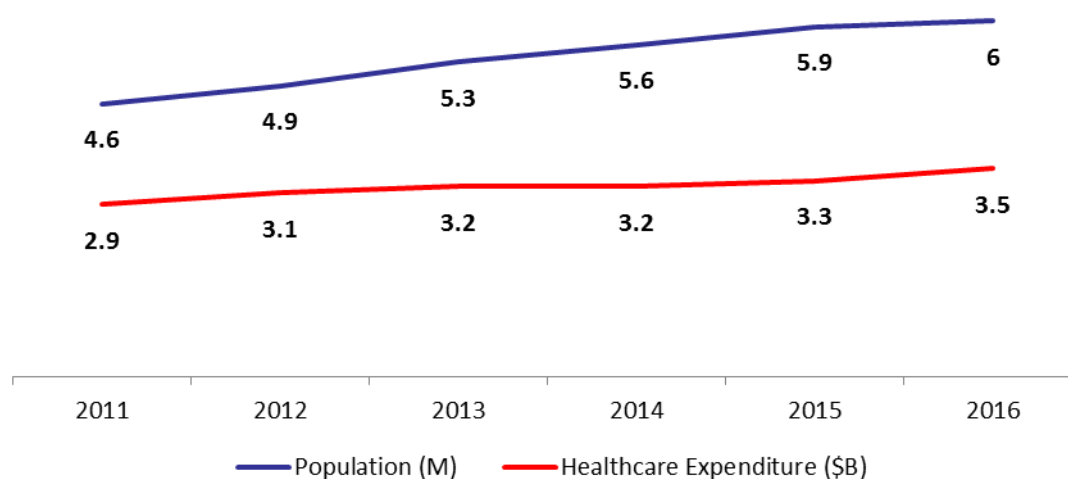
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The Lebanese healthcare system is being overstretched due to the increasing number of Syrian refugees seeking treatment in the country, as well as, the distorted healthcare insurances' system. The system is highly correlated with the economic, political, social and demographic aspects of the country. In fact, the healthcare system, and mostly hospitalization, suffers from various deficiencies such as insufficient funds, inflated private services, and inefficient public healthcare. Business Monitor International (BMI) recently released a report on Lebanon's healthcare system where the research reveals insights on the healthcare insurance and resources of the country.

With the influx of Syrian refugees in the country, healthcare expenditure rose at a compounded annual growth rate (CAGR) of 4.1% during 2011-2016, to reach almost \$3.5B. In fact, Lebanon's population reached 6 million in 2016, with almost 25% Syrian and Palestinians.



Large spending on healthcare and medical devices characterizes advanced economies. The Lebanese health sector expenditure takes up 7% of GDP, as estimated by BMI. The figure is far behind that of developed countries, yet above those of neighboring countries. However, is the Lebanese healthcare system efficient?

Several factors lay behind the high expenditure on Lebanese healthcare. The income per capita is relatively low in Lebanon when compared to advanced countries in addition to the fact that there are minimum health expenses. Moreover, the lack of awareness about medical pre-emptive measures burdens the system even more.

Despite the fact that the country fosters a very high number of health insurance operators, a big chunk of the population cannot afford to pay for full coverage. Public healthcare provision is, therefore, required to cater for expensive long-term treatments. As such, the National Social Security Fund (NSSF), Lebanon's national social insurance system, which provides employees with health insurance cover and retirement pensions, has been recording a deficit for several years.

However, the healthcare system has proven itself to be distorted, as the NSSF doesn't cover the ageing population, above 64. In 2016, the MOPH announced that Lebanese citizens above the age of 64 would benefit from 100% of their hospital care being funded. Nonetheless, attaining an approval from the ministry is not always efficient, since some hospitals are turning down patients with such insurance due to the ministry failing to meet its obligations.

Primary care: In Dire Need of Reforms

As primary care in Lebanon is highly underdeveloped, it fails to offer an effective healthcare system, hence allowing further hospital referrals. According to the World Health Organization (WHO), only 8% of the population benefit from government primary care, revealing a failing primary healthcare system.

Primary care can be defined as the initial point of contact between a patient and the healthcare system that provides individuals with access to the information and resources they need for optimal health outcomes. A primary healthcare professional refers patients to specialists based on their case.

However, in Lebanon, it is traditional for patients who need treatment to seek advice from specialists, rather than visiting their family doctor. Specialists, as opposed to primary-care providers, prescribe more advanced and expensive treatments, which might not be the most affordable or appropriate option.

Hence, the system is skewed towards inpatients rather than outpatients. Given the fact that NSSF and MOPH cover up to 85% and 95%, respectively, of a patient's emergency visit to the hospital, people are now abusing the system, resorting to hospital visits for treatment. Consequently, healthcare expenditure has been on the rise and private hospitals have become fully occupied.

Public Hospitals: Several Challenges to Overcome

When compared to developed countries, the lack of confidence in the public healthcare sector in Lebanon is vastly reflected. The weakness of the Lebanese public health sector is revealed by the contribution of the healthcare expenditure to the public services. Worth noting, the portion of public healthcare expenditure has been increasing in the past few years as a result of the increasing Syrian refugees.

	% of total Healthcare Expenditure, Public
Norway	85.2%
France	78.0%
Jordan	69.7%
Australia	67.8%
United States	49.1%
Lebanon	47.6%
Egypt	38.2%

Source: BMI Research, WHO, OECD

The evolution of MOPH subsidized admissions in public and private



Source: MOPH

Amid persistent deficits, public health providers in Lebanon kept on struggling for their survival. In fact, public hospitals are the resort of the low-income households, especially Syrian refugees, as they treat patients at minimal charges. However, Lebanese public hospitals are unequipped and suffer from several deficiencies in terms of maintenance, quality, and inexperienced physicians and nurses.

Since the public sector has proved itself to be not efficient and inadequate, the private sector has ensured to close the gap. In its latest statistics of 2016, the MoPH revealed that in all of the country's regions, the number of public hospitals is meager when compared to private hospitals. The largest gap was recorded in Mount Lebanon in which only 5 public hospitals are present as compared to 47 private hospitals, followed by the Beqaa region with 5 public hospitals versus 21 private. In fact, patients pay 15% of the medical bills in private hospitals as opposed to 5% in public hospitals.

Moreover, non-conforming, operating hospitals may negatively impact the healthcare system in the future. According to BMI, a government-commissioned report, which compared local hospitals with international standards, concluded that only 86 of all hospitals (144) were properly accredited. These results reveal the negligence of the health sector, as under the Lebanese law, the MOPH is obliged to close hospitals that are not accredited. Moreover, these numbers prove that even several private hospitals are not abiding by international standards and hence are in imminent need of renovation, which can be very costly.

In terms of healthcare resources, the Lebanese healthcare sector is suffering from an undersupply of nurses. Moreover, according to BMI, in 2016, there were approximately 2.6 nurses per thousand population and 2.3 physicians and 2.5 beds per thousand population. These numbers have dropped in the years following the Syrian war, as the population increased at a much faster rate than the supply. Lebanon lagged behind several countries in the region in terms of nurses and physicians per thousand populations. However, according to the Global Competitiveness Report 2018, published by the World Economic Forum, Lebanon ranked 32, worldwide, in terms of the good performance of the health system, despite the adverse conditions of other sectors including the social and economic determinants

	Beds per '000 population	Nurses per '000 population	Physician per '000
Australia	7.9	12.5	3.5
Egypt	1.3	3.5	3.2
France	9.7	10.6	3.2
Jordan	1.6	4.5	3.9
Lebanon	2.5	2.6	2.3
Norway	7.8	17.8	4.4
United States	5	11.3	2.6

Source: BMI Research, WHO, OECD

Finally, the healthcare system in Lebanon is in desperate need of several reforms. The NSSF needs to modernize its system by either computerizing their operations or creating new products in collaboration with pharmacies and hospitals. Moreover, the organization needs to keep track of insured people as many are deceiving the system.

In terms of the public sector, hospitals should either be privatized or assigned a private management to efficiently run the hospitals tasks. Public facilities could become more specialized in order to meet the needs of the population. Lebanon should take advantage of its medical tourism and its status as the best performing country in healthcare in the Middle East to boost its revenues and contributions to the GDP.

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