

CROSS-BORDER HEALTHCARE AND HEALTH TOURISM

1. INTRODUCTION

The long awaited Law no. 52/2014, 25 August 2014, which transposes Directive 2011/24/EU on the application of patients' rights in cross-border healthcare and the Commission Implementing Directive no. 2012/52/EU laying down measures to facilitate the recognition of medical prescriptions issued in another Member State, entered into force on 1 September 2014.

The EU Directives aim to ensure more general and efficient functioning of the internal market and the free movement of services, while respecting at the same time Member States' responsibility regarding the definition and organization of healthcare.

The present text aims to highlight the possible impact of this new law on the growth of health tourism in Portugal.

2. NEW LAW'S MAIN FEATURES

The main aspect of this regime is the right, granted to cross-border healthcare beneficiaries, to be reimbursed for respective costs, regardless of the EU Member State they choose, to the extent that the Portuguese State bears the expenses incurred in Portugal under the National Health Service or the Regional Health Services (SNS and SRS, in Portuguese). The reimbursement follows the price table applied to the SNS or the SRS and is limited to the costs that would have been assumed by the Portuguese State, had the healthcare been provided in Portuguese territory.

The law, apart from access to cross-border healthcare, foresees the recognition of medical prescriptions issued in another Member State, as long as some requirements are fulfilled in the issuance of the prescriptions (whether issued in Portugal or in other Member States), such as: the patient's identification, authentication of the prescription, and the prescribed product's "common name". Whenever such information is provided, prescriptions can be used to obtain medicinal products in a Member State different from the Member State that issued it inside the European Union.

However, as regards healthcare, there are services which are excluded from the scope of this law: services in the field of long-term care, allocation of and access to organs for the purpose of organ transplants, public vaccination programs and any situation not directly connected to cross-border healthcare. In addition to these restrictions, it also limits the right of reimbursement of healthcare costs coming from healthcare providers that are not integrated or contracted by the SNS or SRS.



REAL ESTATE

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Under the new law, prior authorization is required for healthcare services, whenever: (i) surgical care involves overnight hospital accommodation of a patient for at least one night; (ii) highly specialized and cost-intensive medical infrastructure or medical equipment are required; (iii) treatments present a particular risk for the patient or the population; and (iv) a healthcare provider gives rise to serious and specific concerns regarding the quality or safety of the care. The regulation outlined in this law shall be approved within 30 days counting from the date it entered into force.

3. HEALTHCARE IN PORTUGAL

The healthcare and wellness tourism industry is growing at both global and national levels. It is characterized by connecting the health and tourism industries creating the necessary conditions for patients to choose where to receive necessary medical treatments or where to spend time recovering and rehabilitating in a globalized world. The potential growth of this industry is becoming more apparent as a research study from AEP (Portuguese Business Association) and HCP (Health Cluster Portugal) estimates that by 2020 healthcare and wellness tourism will account for more than 400 million euros, per year in the Portuguese economy. In April, 2013, the Council of Ministers approved the revision of the PENT (National Strategic Plan for Tourism) for 2013-2015, where tourism appears as one of the products to be developed, with the aim of turning Portugal into an international destination of excellence in that sector.

Portugal stands out in the healthcare and wellness sector, due to many factors, among which are, most importantly:

- For being placed 12th in a worldwide ranking on quality of medical services, mastering diversified medical techniques;
- For its large number of thermal resorts (currently 38), spas, and wellness centers;
- For offering at competitive prices some medical procedures, namely arthroplasty (emplacement of silicone prosthesis), colecistectomy (gall bladder removal), rhinoplasty and, in dentistry, simple dental extractions and acrylic prostheses.

However, except for the above mentioned procedures, the prices in Portugal are not able to compete with the ones practiced in other countries, where the values are much lower (in particular Thailand, India, Costa Rica, Brazil or even Poland and the Czech Republic). The great advantage a country like Portugal has to offer concerns not only surgical interventions, but also the structured offer of complementary packages including travelling services and accommodations. From this point of view, the country becomes much more competitive, not only because of lower prices but essentially due to the natural and cultural conditions this country offers, namely:

- For being placed 12th in a worldwide ranking on quality of medical services, mastering diversified medical techniques;
- Diversified culture;
- High quality climate and hospitality much appreciated by tourists;
- Religious tourism;
- Rich and varied gastronomy;
- Leisure activities' equipment and infrastructures (especially golf).

Thus, in cases of post-surgical recovery and rehabilitation, Portugal is in an excellent position.

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4. THE POSSIBLE IMPACT OF THIS LAW ON THE ECONOMY

The new law, while transposing the outlined Directives, represents one more favorable factor for the growth of initiatives to develop healthcare and wellness tourism in Portugal. The cross-border healthcare regime allows citizens of the European Union to freely choose medical teams and hospitals, as well as destinations where to spend recovery and rehabilitation periods, while being reimbursed by the national health services of the respective countries. In order to place Portugal as a real option in the decision-making process, its international reputation in healthcare is crucial, allied to the promotion of services that aim to strategically reach potential markets, such as Germany, United Kingdom and other northern countries with high costs for healthcare services, post-surgical recovery, and rehabilitation .

However, in the near future as health tourism grows, Portuguese hospitals will face increased competition due to the inclusion of foreign hospitals in the range of options available for Portuguese patients and also for patients with other European nationalities.

In what concerns the wellness industry, Portugal can be considered to have the right conditions to compete in this market. The reputation of doctors and other healthcare professionals (therapists, nurses, etc.) is crucial in the health area which makes Portugal an excellent opportunity for healthcare and tourism enterprises, jointly with hospitals, to engage in launching offers and proposals capable of attracting European patients to spend post-surgical recovery and rehabilitation in Portugal.

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