STUDY ON COMPETITION IN THE NON-PUBLIC HOSPITAL SECTOR

Executive Summary

The current study assesses competition in the non-public hospital sector, describing the supply of private and social general hospitals in mainland Portugal, defining relevant markets and pointing out regional areas with high market concentration levels or potential market dominance.

It was possible to identify 94 non-public general hospitals providing in-patients acute care services, mainly concentrated on the NUTS III[1] regions of the metropolitan areas of Lisbon and Oporto. On those two NUTS III, as well as on NUTS III of Ave, Viseu Dão Lafões and Coimbra Region, the ratio of doctors per 1.000 inhabitants is above the mainland Portugal average.

The 94 non-public general hospitals identified are owned by 57 different market operators, 18 of which also detain 124 units of ambulatory health services, the latter contributing to an increase of in-patients capture by the hospitals of the group, through the capillarity of their services' network. Thus, this study will consider 218 points of supply.

The study concludes that high levels of market concentration are visible on most of the regional markets. Situations of potential market dominance and of monopoly were also identified in some regions.

Around 20% of mainland Portugal resident populations live in one of the 133 municipalities with high market concentration levels, as defined by the European Commission. The only NUTS III region not displaying high levels of market concentration is the Lisbon metropolitan area.

[1] Nomenclature of Territorial Units for Statistics (NUTS), developed by Eurostat; NUTS III comprehend 23 statistical subregions of mainland Portugal.

Regarding market dominance, in 88 municipalities – out of the 133 with high levels of market concentration – operators with potential dominant positions were identified. These results were mainly observed on NUTS III from Centro and Alentejo Regions. On the contrary, regional markets raising lower competition concerns are mainly located in the North region and in Lisbon metropolitan area.

The study conclusions allow a clearer perception of the competition situation and of the healthcare market concentration levels in the non-public hospital sector, enabling the identification of regional markets raising competition concerns. The Portuguese Health Regulation Authority will, therefore, continue to monitor these markets, aiming to identify events that, as the result of low competition levels between operators, may produce potentially negative effects, particularly on access levels and on the quality of healthcare services.