

STUDY ON COMPETITION IN THE NON-PUBLIC HOSPITAL SECTOR

Executive Summary

This study focuses on the analysis of competition between private and social sector general hospitals in mainland Portugal. Relevant markets are defined, barriers to market entry and regions with high market concentration are identified, and the potentially dominant position of certain operators is signaled. Furthermore, a comparison is presented with the results of the analysis carried out in 2023.

The study covers 92 non-public general hospital units providing inpatient care for acute patients in mainland Portugal, primarily concentrated in the North and Lisbon and Vale do Tejo health regions, accounting for approximately 74% of the hospitals. These 92 non-public hospitals are owned by 57 distinct operators, of which 17 operate in the hospital healthcare market with 113 outpatient units, contributing to an increased ability to attract patients. Thus, the study considers a total of 205 supply points.

The study concludes that in almost all regional markets, there is a high market concentration. Markets with a potentially dominant position by certain operators and monopoly situations were also identified.

Around 61% of the resident population in mainland Portugal lives in 194 municipalities with a high market concentration, as defined by the European Commission. Regarding the dominant position, in 104 of the 194 municipalities with a high concentration level, operators are present with a potentially dominant position. These results are observed in the Alentejo and Algarve health regions.

Compared to the analysis conducted in 2023, the number of operators remained the same (57), while the number of supply points decreased from 218 to 205. Furthermore, there has been an increase in market concentration, both in terms of the number of municipalities and the population covered, with high concentration levels and potential dominance, as well as in terms of the Herfindahl-Hirschman Index (HHI). In particular,

there is an increase in concentration from medium to high in the Lisbon and Vale do Tejo health region.

The conclusions of this study provide a better understanding of the competitive situation and market concentration in the non-public hospital healthcare sector, allowing for the identification of regions that raise greater competitive concerns. Thus, ERS will continue to monitor this market and the potential occurrence of negative effects that may arise from reduced competition between operators, particularly in terms of access to care and the quality of care provided.