

FACT SHEET - Chile (Health Care and Life Science)

Economic growth, lenient business environment and stable framework conditions



With an economic growth of an average of 5% over the last 20 years, the purchasing power of the average Chilean citizen has substantially increased. The economic growth has further raised the educational level of the population and thereby also the consciousness of basic rights, including the right to health care! This has meant an explosive increase in investments in health care infrastructure, new health care schemes and guarantees and disease preventive initiatives. The Chilean health care sector is characterized by a large public sector, complemented by a relatively big private sector, both demanding high level equipment and services. Both sectors are easily accessible, the public sector through the governmental purchasing platform, ChileCompra, and the private sector through the individual clinics. All in all, the Chilean health care sector offers a unique opportunity for Danish companies in particular within the medical equipment and pharma segment, to enter a market with stable frame conditions and explosive growth in the sector.

Characteristics of the Chilean health sector

All Chilean citizens have the right to health care! Approximately 75% of the population is covered by the public health care system (FONASA) while some 15% is covered by the private system (ISAPREs). The remaining 10% is covered by a number of other schemes. The public health care system is financed through membership contributions (7% of salary) and fiscal support (approx. 58% of total funding). The private system is financed only by membership contributions (compulsory 7% of salary + risk premium depending on age, salary, gender, medical history, etc).

DID YOU KNOW THAT...

... All Chilean citizens have the right to health care, regardless of income and social status ...

Health Care Guarantees

Whether publicly or privately insured, all citizens are guaranteed; **access** to treatment for 80 (69 until end of 2012) diseases on a special priority list (incl. medicine). **Assurance** of a maximum waiting period. **Quality** through treatment provided by accredited providers and **financial protection** through caps on payments

Hospital capacity in Chile:

- **Public primary attention centres:** Approx. 1.000
- **Public hospitals;** Approx. 200
- **Private clinics;** Approx. 200
- **Public hospital beds:** Approx. 26.000
- **Private hospital beds:** Approx. 7.000
- **Hospital beds outside the normal private and public systems:** Approx. 6.000

Key players at a glance:

- **MINSAL** – Chilean ministry of Health (the regulatory body within the health sector)
- **FONASA** – The public Health Care Insurance (the administrator of public health care funds)
- **ISAPRE** – The private Health Care Insurance companies.
- **ISP** – Drug Administration Office (i.e. registration of new drugs)
- **CENABAST** – The purchaser of drugs for the public system
- **Private clinics** – A relatively large number of smaller and larger private clinics operate in Chile, many with very high standards. The clinics receive patients primarily from the private insurance system, but also from the public system.

Business opportunities for Danish companies in the health care sector

With a steadily growing GDP and with an estimated 8% of GDP being spent on health care, Chile is closing in on the rest of the OECD countries in relation to health care spending. And with huge investments planned in health care infrastructure over the next years both within the public and the private sector, the opportunities for Danish providers of hospital equipment and associated services, seem very attractive.

The increased level of prosperity however, is accompanied by life style diseases such as; obesity, diabetes, depressions, etc. Danish companies with specialties within these areas can be part of the solution in facing these challenges. Apart from this, Chile also faces the problem of a rapidly growing population of +60 citizens. Danish companies with specialties within this segment can be part of passing on Danish knowledge and experiences to the Chilean institutions and companies.

All in all the increased awareness on health also generates opportunities in complimentary sectors such as producers of fitness equipment, cosmetics, ecological food and everything related to life science.

Hospital equipment and associated products

- An expected expansion of 3 public hospitals per year over the next many years under the state health budget (432 mio US\$ for 2013)
- A additional expansion of 13 new public hospitals over the next 5 years under the state budget (turn-key solutions) (2.400 mio US\$ in total)
- Similar expansion plans in the private sector
- Replacement/renovation of 30 primary attention centres per year (130 mio US\$/year).

DID YOU KNOW THAT...

... Chile has some of the best health indicators in Latin America, comparable to many OECD countries...

Pharma

- A rapidly growing pharma market
- Big demand for drugs against diseases on the list of 80 priority diseases.
- One central public purchaser (CENABAST) of all medicine for the public sector
- Some specific requirements in relation to the registration process of new medicine.

IT within health care

- Very open mind-set towards new IT solutions
- Video-consultation technology of interest due to very large distances between cities
- On-going implementation of new IT solutions for entire public health sector (SIDRA project)
- Regular licitations in connection with SIDRA

Life-science and other

- Increased focus on preventive health care, incl. fitness, ecological food, cosmetics, etc.
- Big opportunities within +60 citizens segment
- Opportunities for service companies within industrial services; cleaning services, security, machinery for cleaning, etc.
- Opportunities for companies supplying complimentary equipment to the construction industry; windows, isolation, etc

STATE VISIT TO CHILE

Santiago de Chile, 11-15 March 2013

Join the Official Danish Business Delegation to Chile on the Occasion of the State Visit by Her Majesty The Queen and His Royal Highness The Prince Consort
Sector specific program on Health/Life Science

Read more: www.royalvisitchile2013.dk

How can we add value to your company?

- Using our local network of public and private stakeholders, business associations and chambers to acquire market information.
- Endorsing your company to key decision makers and potential distributors.
- Participating and arranging meetings with relevant stakeholders.

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