

13<sup>TH</sup> CARIBBEAN CONFERENCE  
ON NATIONAL HEALTH  
FINANCING INITIATIVES

**ANGUILLA**  
**NOVEMBER 6 - 8**



**FINANCIAL  
SUSTAINABILITY  
AND MANAGING PHARMACEUTICAL COSTS IN SZF**

# Agenda

## 01 Introduction

Fiscal spacing opportunities in Suriname and results

## 02 Key determinants

Key determinants and data on financial sustainability in the SZF

## 03 SZF pharmaceutical operations

Branches, patient access, IT system and financial sustainability

## 04 Lessons learned

Lessons learned



# INTRODUCTION

All countries, whatever their levels of income, face the question of how to find additional resources for health in a sustainable and realistic manner.

Fiscal space commonly refers to the budgetary room in which a government can provide resources for public purposes without undermining fiscal sustainability

The real political, economic and ethical question is the source of the required financing.

- Rich countries can still afford to rely largely on private health insurance despite the serious equity issues involved.
- Most developed and developing countries, however, finance their more or less developed welfare state through taxation and labor contributions.

**Q 1:** “who pays” and “how” gains more importance.

**Q 2:** Does society as a whole bear the cost and how to obtain and manage the needed savings, efficiency and competitiveness of the economy which must produce them.

The 21<sup>st</sup> century proposes several new challenges which need to answer these questions.

Suriname is not much different.

As the rest of the Caribbean we are entering into the 21<sup>st</sup> century trying to achieve the Sustainable Development goals by 2030.

# Fiscal spacing in Suriname

Fiscal spacing opportunities the government of Suriname have used to benefit the health sector:

- Reprioritization of health within the government budget
- An increase in health sector-specific resources
- increase in the efficiency of existing health expenditure
- Health policies
- Health financing

Fiscal spacing

UHC

Projected Results

Results of fiscal spacing to UHC

- Better fiscal balance between expenditures and premiums
- Health interventions through legislation e.g. single payer system, NHI law
- Alternative cost containing options e.g. centralization of procurement of medicines and medical supplies
- Partnerships PAHO
- New revenues
- Effective spending of the limited resources



In partnership with PAHO the government of Suriname had a national dialogue on our “Fiscal Space Study for Health in Suriname”. As a result, other decision makers are now informed and weighing in the potential options for increasing public investment in health.

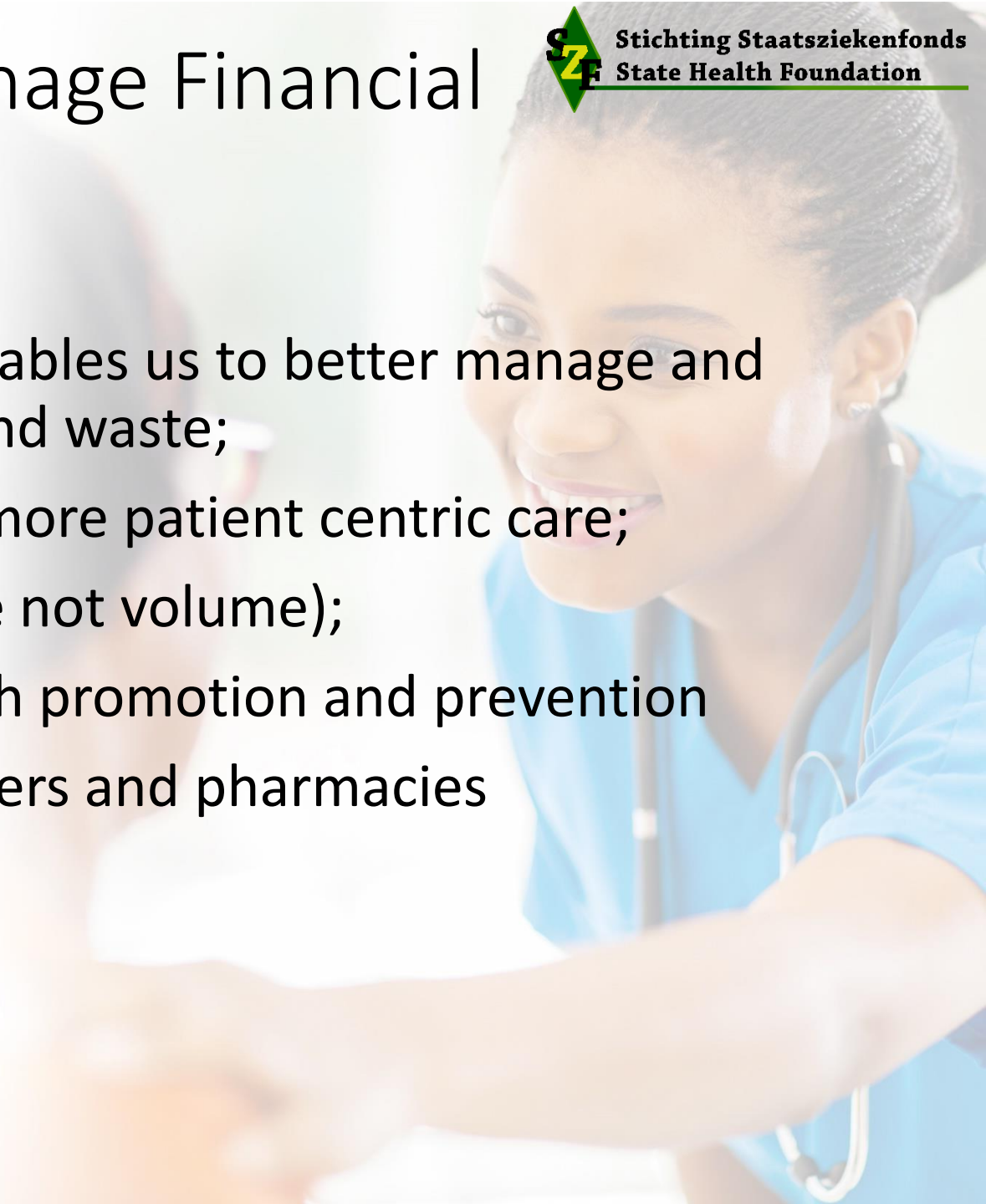
# Challenges For SZF to manage Financial Sustainability

- Outdated Legislation
- Increases in health spending due to increase of consumption;
- Inefficiencies and waste in health care;
- Prices are not based on cost price (lack of price transparency and calculation models);
- Healthcare is insufficiently based on being patient centric;
- Rising pharmacy expenses due to increase in patient consumption.

How do we increase sustainability from existing health system resources? In other words, how can we improve performance while taking into account budget constraints?

# Strategies by the SZF to manage Financial Sustainability

- Investing in a new IT system which enables us to better manage and decrease or eliminate inefficiencies and waste;
- This new system which will enable a more patient centric care;
- Investing in quality care (pay for value not volume);
- Increase in primary health care, health promotion and prevention
- Opening of primary consultation centers and pharmacies



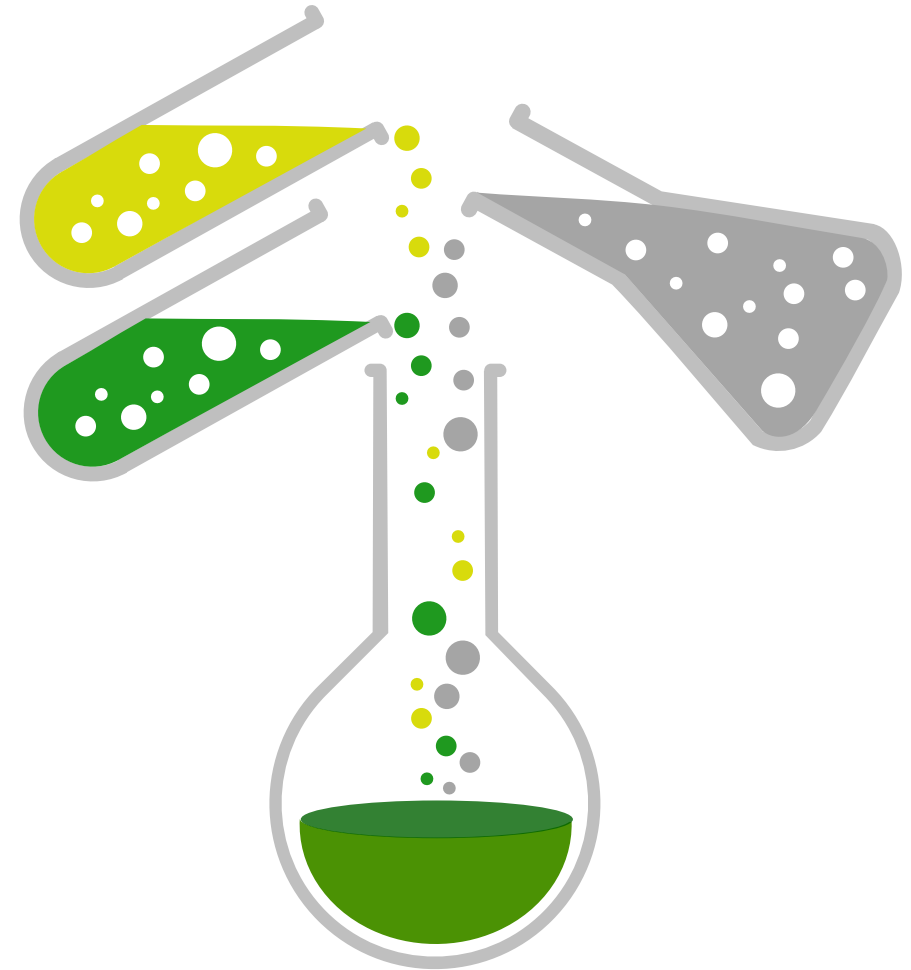
# Why our own pharmacies?

## Ensuring optimal medication supply

By running our own pharmacy we wanted to ensure optimum supply of medication to our insured population and prevent stock-outs.

## Increase and influence in the market

- Better price negotiation
- Transparency of prices and calculation models
- Influence in the medicine market
  - Responding to strikes



# 3. SZF Pharmacies



## SZF pharmacies

- SZF has 100% ownership one of the biggest private pharmacies in Suriname
- 7 pharmacies through Suriname
- A Pharmaceutical warehouse
- Profit margin 35% by law
- Commercial contract with the private insurance companies



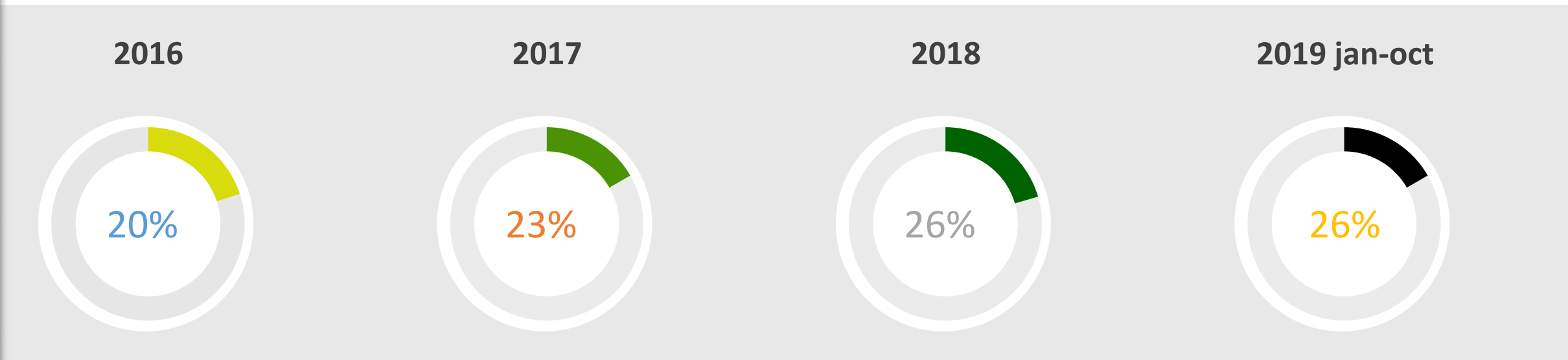
Currently the SZF pharmacies are departments not separate entities.

SZF is in process of transforming our pharmacies in profit center and making them part of a separate legal entity



# Our Market share and Growth

Our sales growth since 2016 till now have shown an increase in marketshare.

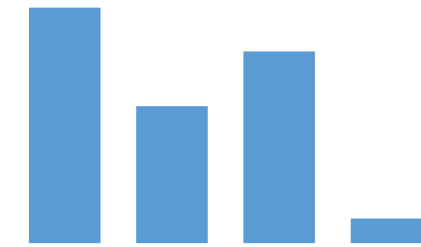
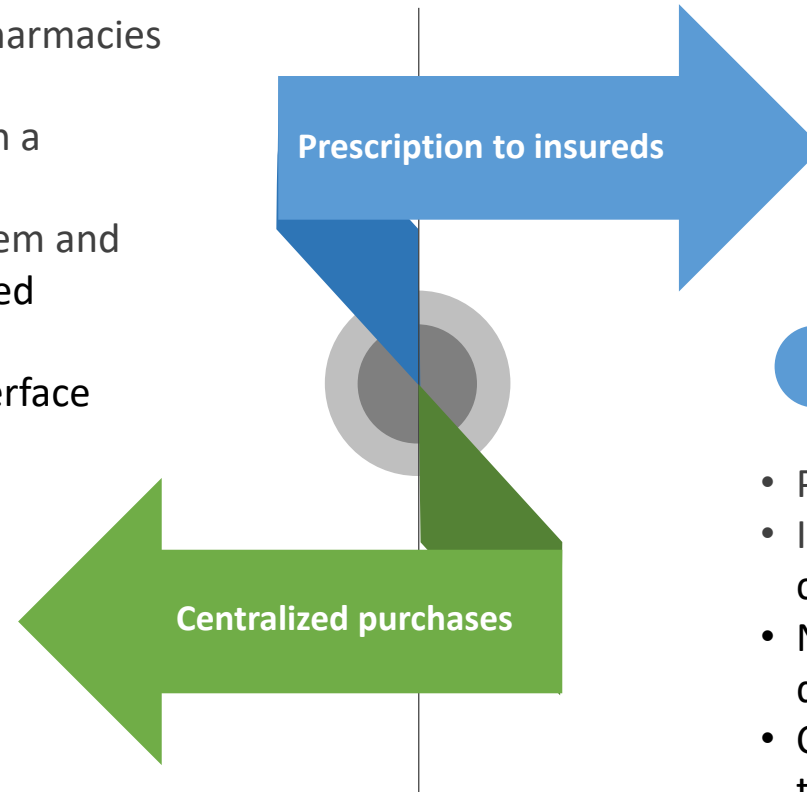




# IT Operational System

## Medicine procurement

- Integrated Pharmacy System for all pharmacies and the main warehouse
- Inventory purchases are done through a centralized Govt. institution
- Inventory processed through the system and transports to pharmacies are processed through the system
- New system is being created with interface with centralized Govt. institution
- Data reports



## Prescription Sales

- Prescription processing through the system
- Insureds registry and history of patient consumption
- New software purchased includes patient drug interaction
- Currently the system is not integrated with the financial system, this functionality is included in the new system
- Data reports





# CONCLUSIONS:



# Legislative issues

- Legislation for the basic insurance is currently based on several limits for medicine (chemo, dialysis etc);
- Outdated legislation;
- Not enough inspections by pharmacy enforcement officers to ensure compliance with prevailing laws (pricing);
- Several GP's open up a small pharmacy within the clinic without a license.

# Macroeconomic impacts

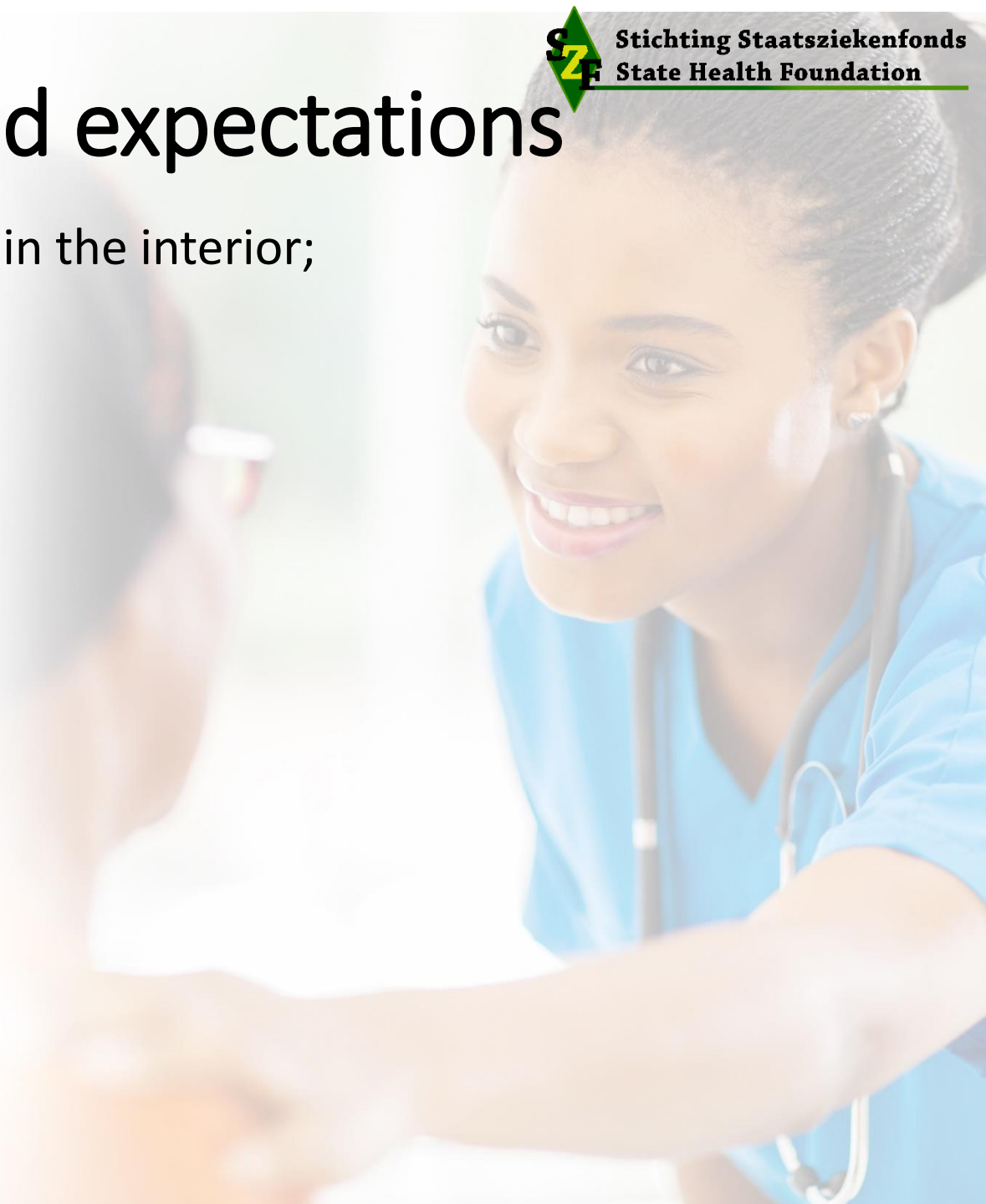
- Increase in Health expenditure

# Customers' knowledge and expectations

- Poor knowledge on medicine use especially in the interior;

# Operational challenges

- Financial capital and cash flow;
- Sufficient relevant staffing



# Thank You

