

ONE STEP AWAY FROM THE ABYSS?

ANALYSIS OF THE SUPPLEMENTARY HEALTH SYSTEM IN BRAZIL

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OBJECTIVES

The Supplementary Health System (SHS) has more than 700 Health Maintenance Organizations (HMOs) and offers health plans to more than 26% of the Brazilian population. This work joins the growing discussion that the SHS is “one step away from the abyss” and that this sector may not be economically sustainable in the medium and long term. The objective is to evaluate the historical operational result by correlating the research findings with the different SHS business models that involve Self-Management (SM), Group Medicine (GM), Medical Cooperative (MC), Health Insurance Company (HIC), and Philanthropy (PH).

METHODS

This descriptive and exploratory research used secondary data from various sources and was subjected to quantitative analysis methods using Microsoft Excel 365 and SPSS version 21. The sample comprised 185,213 cases divided between 665 different HMOs between 2017 and 2021.

RESULTS

The data confirm the process of demographic transition with a higher percentage of older adults in the SHS, which directly impacts the demand for health services. There is a predominance of beneficiaries in GM (39.9%) and MC (37.74%) and a tendency towards market concentration (Fig.1). Overall, 26% of the amount paid to the SHS is not converted into a benefit for the consumer but serves to pay non-assistance expenses.

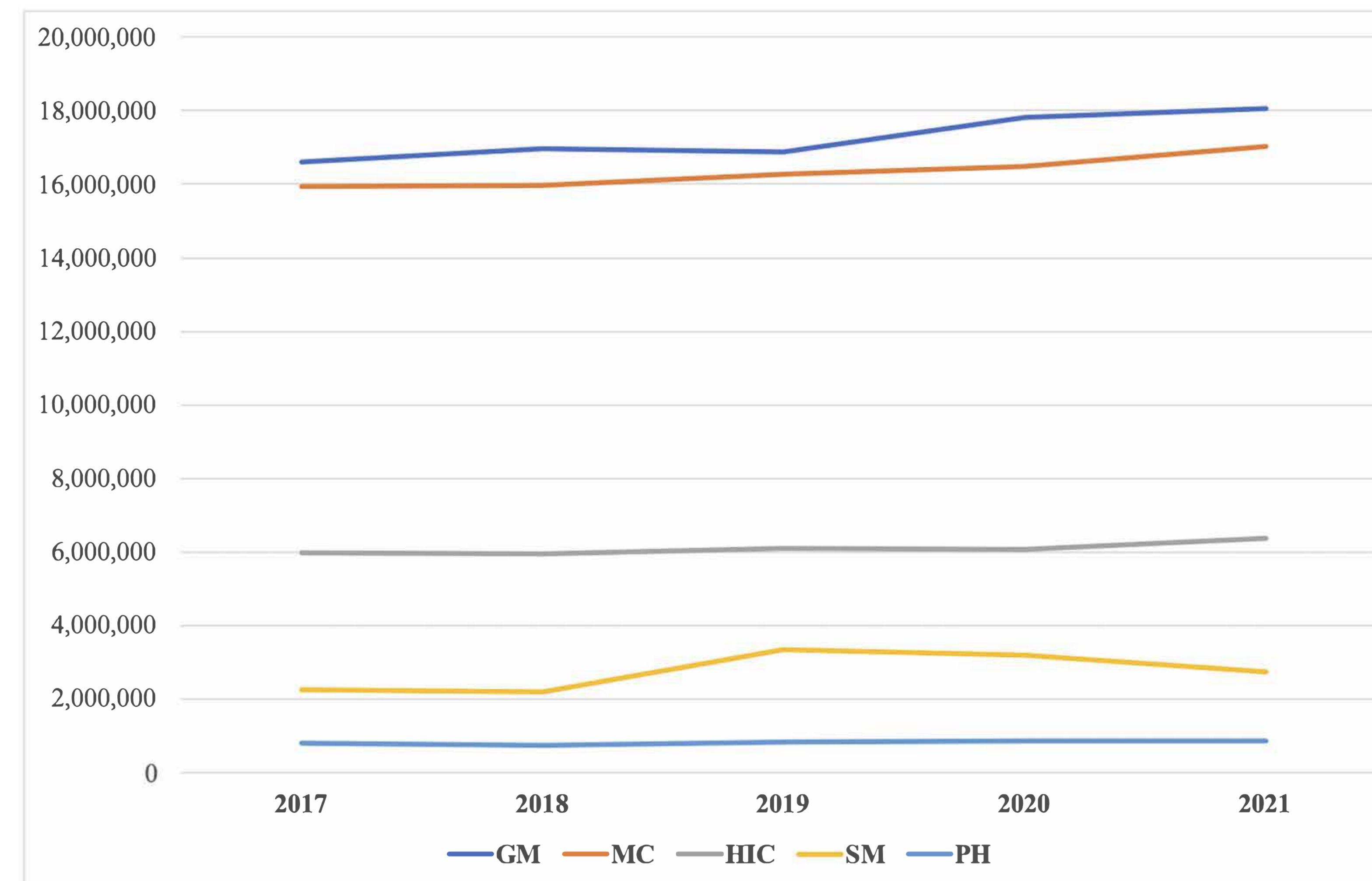


Fig. 1: Number of SSS beneficiaries by business model between 2017 and 2021

Historically, SHS's profitability result was broken by a negative operating result in 2021 (Tab. 1, 2 and 3). MC's ability to seek more significant revenue from consideration and other operating income combined with the expense reduction process contributed to a better financial result in 2020 and a lower financial deficit in 2021. On the other hand, only SM demonstrated a potential economy of scale (Tab. 3).

The SSS plays a strategic role in the Brazilian health system and must be involved in promotion, cooperation, collaboration and partnerships to achieve Universal Health Coverage in the country. Despite the SSS's growth, potential gains in scale do not appear to have diluted operating costs and the sector is under pressure to achieve sustainability. Even after 25 years of the sector's legal framework (Law n. 9656/98), the solutions constantly discussed by stakeholders and having the potential to generate efficiency gains, have not become a practical reality to correct market failures of the SSS.

Table 1 - Total revenues (R\$) by SSS model between 2017 and 2021

Model	2017	2018	2019	2020	2021
MC	60,176,030,047	62,774,465,359	69,576,685,680	72,972,837,780	59,594,551,598
GM	53,780,274,389	59,286,618,828	63,621,254,646	63,955,123,990	49,371,080,433
HIC	39,391,315,307	42,666,206,381	45,799,511,789	47,966,941,116	42,402,002,321
SM	12,509,952,703	12,295,935,080	25,838,962,153	25,641,037,992	18,810,916,520
PH	4,606,996,259	4,898,936,813	5,522,572,058	5,981,342,373	4,999,751,982

Table 2 - Total expenses (R\$) by SSS model between 2017 and 2021

Model	2017	2018	2019	2020	2021
MC	58,310,941,423	60,258,238,076	67,651,315,159	66,882,588,683	61,368,727,187
GM	52,186,862,091	56,909,207,738	61,803,207,837	57,532,979,904	53,052,313,674
HIC	39,670,341,268	41,596,166,274	44,177,767,590	46,170,437,112	44,141,176,747
SM	13,024,641,063	12,874,307,943	25,169,182,951	22,645,401,987	20,569,593,709
PH	4,486,738,515	4,734,801,857	5,451,819,385	5,658,711,015	5,154,626,503

Table 3 - Operating result (R\$) by SSS model between 2017 and 2021

Model	2017	2018	2019	2020	2021
MC	1,865,088,624	2,516,227,283	1,925,370,521	6,090,249,097	-1,774,175,589
GM	1,593,412,298	2,377,411,090	1,818,046,809	6,422,144,086	-3,681,233,241
HIC	-279,025,961	1,070,040,107	1,621,744,199	1,796,504,004	-1,739,174,426
SM	-514,688,360	-578,372,863	669,779,202	2,995,636,005	-1,758,677,189
PH	120,257,744	164,134,956	70,752,673	322,631,358	-154,874,521

CONCLUSIONS

This work corroborates the opinion of experts in the field who consider that SHS is experiencing one of the worst crises in recent decades, and the path to resuming sustainable growth requires profound changes in the sector.

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