

HEALTHCARE SECTOR

INTRODUCTION

Healthcare in Lebanon contributed around 8.8% of the GDP - 54% of which was by the private health sector. Lebanon has 150 private and public hospitals, 5000 registered physicians, 4000 private pharmacies, and 12 pharmaceutical manufacturing sites with local production contributing 8% of the 770 million US\$ market size dominated by imports.

Prior to the economic crisis of 2019, the healthcare system was already overwhelmed by a lack of a centralized reimbursement system as well as stark disparities between public and private healthcare facilities.

The ongoing crisis further exhausted an increasingly fragile system leading to a shortage of pharmaceuticals and medical supplies, contraction of pharmacies by 15%, massive brain drain of the healthcare workforce (1000 doctors and 2000 nurses) and the population's sharply reduced ability to pay for escalating health costs and medications.

On the upside, reliance on primary health care by refugees and Lebanese citizens shot up from 20,000 visits pre-crisis to 200,000 in 2022. In line with a 35% increase in demand for locally produced pharmaceuticals.

Today, over 80% of the population has neither healthcare coverage nor access to quality healthcare. All public services, including the National Social Security Fund (NSSF), have not readjusted their real tariffs since the Lebanese pound's devaluation. The lack of NSSF and government co-payment coverage, combined with the rising costs of hospitalization, have led to significant out-of-pocket expenses for hospital services, endangering access to care for the underprivileged and the uninsured Lebanese population.

Absence of financing schemes for primary health care and lack of incentives for local pharmaceutical manufacturers have forced Lebanese companies to exit the local market only to be replaced by illegal parallel trade and counterfeit medications (often smuggled) representing a big threat to public health.

The Lebanese Private Sector Network has identified five main opportunities to revive the Lebanese Healthcare sector and scale it up, namely:

- I-Developing homecare services to grow to 200 M\$ which is estimated to be a 1% of the MENA region market size%
- II-Boosting the local manufacturing pharmaceutical industry to a 20% market share of local market size.
- III-Promoting Telehealth to capture 10% of the 6.4b USD estimated for the MENA region.
- IV-Restoring Lebanon's reputation as the hospital of the Middle East (wellness, aesthetic and medical tourism).
- V-Establishing the country as a destination for mental health and rehabilitation services.

POLICY ASKS



POLICY ENVIRONMENT

- Collaborate closely with the private sector, syndicates, and civil society organizations to ensure that the Ministry of Public Health's (MOPH) 2030 vision remains solid, and an action plan is rolled out for delivery.
- Introduce tax benefits and incentives for facilities involved in the production of pharmaceuticals, health tech startups as well as homecare and medical tourism services.

- Prioritize adherence to pharma trade policies in the region and globally so Lebanese medicines can have a competitive edge in both quality and price.
- Promote and protect private hospitals as the historic backbone of the healthcare system in Lebanon and the leading attraction for medical tourism in the region.
- Develop a national strategy for healthcare innovation and technology.
- Lobby Parliament to waive NSSF contribution requirements where a comprehensive employer health policy scheme exists.
- Increase control over borders and implement strict measures and penalties against illegal medicine importers, smugglers, traders, and facilitators.
- Encourage the use of regulated locally produced generic medicines.
- Promote primary health care and prevention measures through a decentralized network of health care centers and roll out mandatory health education in schools and universities.
- Regulate, fund and license management and production of medical cannabis.



INFRASTRUCTURE

- Establish dedicated industrial zones, favorable trade agreements, and specialized hazardous waste removal services in support of the pharmaceutical manufacturers.
- Attract and foster new health-tech startups by increasing investment in innovation and research.
- Support existing central and regional labs by upgrading their facilities and quality control.
- Initiate digital transformation of the health information and services delivery that cuts through the prevailing red tape.



SKILLING AND TALENT MANAGEMENT

- Develop a national incentive and retention strategy to curb further human resource losses.
- Create a pipeline of trained medical science graduates to fill sectoral vacancies caused by the brain drain.
- Upgrade technical vocational education training to fill medical skills shortages in hospitals.
- Match qualified individuals with new job opportunities such as in different nursing specializations, laboratory science and technology, radiology, and health administration.
- Develop partnerships with academic institutions for medical research and development.
- Partner with stakeholders in the hospitality and insurance industries to tap onto opportunities in medical, wellness and mental health tourism sectors.