

# Agenda

#	Section
1	Market economy and provision of medical supplies
2	Healthcare institution as a company
3	Economy of the healthcare institution. The roles and functions of health care managers
4	Resources



### Introduction

- The Czech Republic has a universal healthcare system funded primarily through public health insurance, ensuring access to medical services for all citizens. The system operates through a combination of state-owned and private healthcare providers, regulated by the government.
- Medical supplies, including pharmaceuticals, medical devices, and protective equipment, are essential for maintaining healthcare services and ensuring patient safety. Their availability depends on an efficient supply chain, influenced by market forces and regulatory policies.

# Healthcare System and Market Economy

- Universal healthcare and public insurance. The Czech healthcare system is financed
  mainly by mandatory health insurance contributions, ensuring comprehensive coverage for
  the population. Private health insurance plays a minor role, mostly supplementing public
  services with additional benefits.
- Role of supply and demand in medical supplies. The availability and pricing of medical supplies are influenced by market demand, production costs, and distribution efficiency. Sudden increases in demand, such as during health crises, can lead to shortages and price fluctuations.
- Balance between public and private sector involvement. While the government regulates healthcare and provides funding, private companies contribute to medical supply production and distribution. This partnership ensures efficiency but also requires strict oversight to maintain affordability and quality

# Key Players and Procurement

- Government agencies (Ministry of Health, SÚKL). The Ministry of Health oversees
  healthcare policy and financing, while the State Institute for Drug Control (SÚKL) regulates
  pharmaceuticals and medical devices. These agencies ensure safety, efficacy, and fair
  pricing of medical products.
- Private suppliers and hospitals. Private companies manufacture, import, and distribute
  medical supplies to hospitals and healthcare facilities. Hospitals, both public and private,
  manage procurement based on their budget and patient needs.
- Public procurement regulations and insurance funding. Medical supplies for public
  hospitals are often purchased through public tenders to ensure transparency and costeffectiveness. Health insurance companies reimburse providers based on pre-negotiated
  rates, influencing supplier pricing strategies.

### Challenges and Innovations

- Supply chain disruptions and financial constraints. Global crises, such as the COVID-19 pandemic, have exposed vulnerabilities in medical supply chains, causing delays and shortages. Financial limitations also impact healthcare facilities' ability to maintain adequate stock and invest in advanced medical technology.
- **Digitalization in procurement and AI use.** The adoption of digital tools in procurement improves efficiency by automating ordering processes and predicting supply needs. Artificial intelligence is increasingly used to optimize logistics and prevent stock shortages.
- Sustainability and local production trends. Efforts to reduce dependence on foreign suppliers have led to increased local production of medical supplies. Sustainable practices, such as eco-friendly packaging and recycling medical waste, are also becoming priorities in healthcare logistics.

### Case Study and Conclusion

Response to COVID-19 and lessons learned. The pandemic highlighted the
importance of resilient supply chains and the risks of over-reliance on international
suppliers. Governments and healthcare providers have since implemented contingency
strategies, such as stockpiling essential medical supplies and diversifying suppliers.

 Summary of key points and discussion. The Czech healthcare system relies on a balance between market forces and government regulation to ensure medical supply availability. Addressing challenges through innovation and sustainability will be key to improving resilience in the future.



### Introduction

- Overview of the role of healthcare institutions in a market-driven economy.
   Healthcare providers in the Czech Republic operate within a framework that balances public service with financial sustainability. Both public and private institutions must navigate economic challenges while maintaining quality patient care.
- Importance of treating healthcare institutions as companies. Modern healthcare facilities must function efficiently, ensuring financial viability, optimal resource allocation, and compliance with regulations while prioritizing patient care.

# Structure of Healthcare Institutions in Czechia

• Public vs. private healthcare institutions. The Czech Republic has a dual healthcare system where public hospitals are largely state-funded, while private facilities operate on a for-profit basis, often offering specialized services.

 Revenue streams and funding models. Public healthcare institutions receive funding through health insurance reimbursements and government subsidies, whereas private hospitals generate revenue from direct patient payments and private insurance.

# Financial Management

 Budgeting and cost control. Hospitals must manage expenses effectively, balancing operational costs, staff salaries, and medical equipment investments to ensure longterm sustainability.

**Pricing and reimbursement policies.** Healthcare pricing is regulated by insurance contracts, with hospitals negotiating reimbursement rates with insurance providers to cover medical services and treatments.

# Human Resource Management

- Workforce planning and staff retention. Effective staffing strategies are crucial to maintaining hospital efficiency and ensuring patient satisfaction. Competitive salaries and professional development opportunities are key to retaining skilled healthcare workers.
- Addressing labour shortages. The Czech Republic, like many European countries, faces a shortage of healthcare professionals, requiring strategic recruitment and improved working conditions to sustain high-quality services.

# Challenges in Managing

• Balancing financial goals with patient care. Hospitals must ensure profitability without compromising the quality and accessibility of healthcare services.

 Regulatory and ethical considerations. Healthcare institutions operate within strict regulatory environments, requiring compliance with national laws and ethical medical practices.



### Introduction

#### **Healthcare Institutions as Economic Entities**

- Hospitals and healthcare facilities operate within an economic framework, balancing financial stability with patient care.
- The economic efficiency of healthcare institutions impacts the quality and accessibility of medical services.

### The Role of Healthcare Managers in Economic Sustainability

- Healthcare managers play a critical role in budgeting, resource allocation, and operational efficiency.
- Their decisions directly influence patient outcomes, institutional profitability, and regulatory compliance.

# The Evolving Role of Healthcare Managers

#### **Strategic Planning and Policy Implementation**

- Managers must align institutional goals with national healthcare policies and financial sustainability.
- They ensure compliance with Czech healthcare regulations while adapting to evolving market conditions.

#### **Human Resource and Workforce Management**

- Effective staffing strategies are crucial for reducing turnover rates and maintaining quality care.
- Training and continuous education programs enhance staff performance and institutional reputation.

### Case Studies and Best Practices

#### **Successful Financial Management in Czech Hospitals**

- Case study of a hospital that optimized resources and improved service delivery.
- Lessons from hospitals that implemented cost-saving technologies and financial best practices.

#### **Key Takeaways for Healthcare Managers**

- Balancing financial sustainability with patient centred care is essential.
- Proactive management strategies lead to operational efficiency, better healthcare delivery, and longterm success.

### Conclusion and Discussion

#### The Future of Healthcare Institution Economics

How evolving financial models and digital health solutions will shape the industry.



### Resources

#### Literature

BUCHBINDER, Sharon Bell a Nancy H SHANKS. Introduction to health care management. Burlington, Massachusetts: Jones & Bartlett Learning, 2017.

Drucker, F. P. The Practice of Management. Routledge, 2012.

#### **Articles**

Overview of healthcare system in the Czech Republic <a href="https://pmc.ncbi.nlm.nih.gov/articles/PMC3375100">https://pmc.ncbi.nlm.nih.gov/articles/PMC3375100</a>

### Web-page

State Institute for Drug Control (SÚKL) regulations <a href="https://sukl.gov.cz/">https://sukl.gov.cz/</a>

# Thank you

Does anyone have any questions?

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