L.E.K. European Hospital Survey Series 2023 | Part 3 of 5

EXECUTIVE INSIGHTS

# European Hospital Survey: Priorities and Innovations for Hospitals in Spain

## Executive summary

Spain's healthcare system has a highly varied distribution of healthcare practitioners across different regions and over the recent past has received only modest funding to support it. Per-capita spending has been consistently below the EU average[1] and, as a result, many hospitals have old medical equipment, nursing staff shortages and long wait times for treatment that are affecting the quality of care in some areas. The COVID-19 pandemic has further exacerbated some of these challenges. Staffing shortages have intensified and the primary care sector is unable to meet demand, leading to patients instead saturating hospital accident and emergency departments.

Today, hospitals in Spain are focusing on improving the quality of patient care; increasing access to doctors and nurses in regions with greater need; increasing outpatient services provision; continuing to advance digital health capabilities; achieving cost optimisation; implementing environmental, social, and governance (ESG) initiatives; and, in the future, exploring outcome-based pricing models.

In this *Executive Insights*, L.E.K. Consulting shares key findings from Spanish hospital respondents from its broader 2023 European Hospital Survey and discusses some of the key trends affecting hospitals in Spain.

# Key findings

We have identified seven key themes from Spanish respondents in the European Hospital Survey that are of particular importance to hospitals in Spain:

1. Continuing to improve patient outcomes and clinical care and attracting and retaining staff are the top strategic priorities for hospitals in Spain
2. The majority of public and private hospitals expect to provide more outpatient services in the next three years, notably in diagnostics, primary care and urgent care
3. Patient engagement, claims and revenue management, and core clinical system enhancement are top digital priorities for many hospitals and will support their focus on improving patient and clinical care
4. Many hospitals are looking to reduce costs within their supply chains as well as prioritise integrating predictive and prescriptive analytics to drive decision-making processes
5. Hospitals are widely implementing ESG initiatives, particularly those relating to internal carbon and waste product reduction such as improved waste management
6. A significant proportion of hospitals are interested in a broad range of services from medtech or other medical suppliers, including non-clinical analytics and equipment service and support
7. In line with the expected emergence of outcome-based pricing options, some hospitals show interest in using such models for certain product categories, particularly medical and surgical consumables

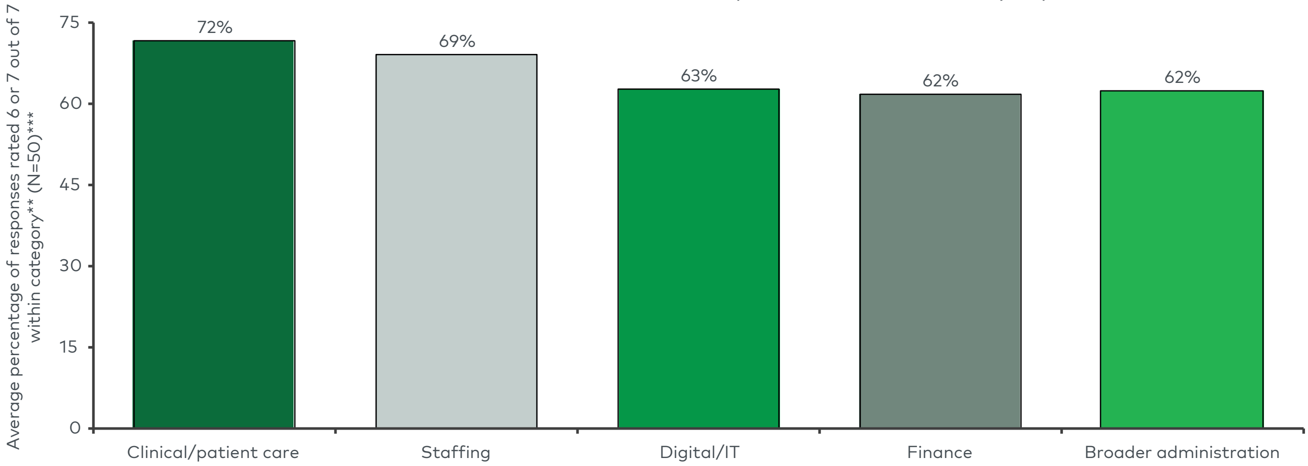
## 1. Continuing to improve patient outcomes and clinical care and attracting and retaining staff are the top strategic priorities for hospitals in Spain

Hospitals in Spain are balancing multiple priorities across patient and clinical care, staffing, digital/IT, finance, and broader administration goals. Staffing and patient/clinical care priorities are considered the most critical (see Figure 1).

**Figure 1**

Strategic priorities for Spanish hospitals*

Assessed on a scale of 1-7, where 1 means 'not at all important' and 7 means 'very important'




*Survey question: Looking at your hospital's strategic priorities, how important are each of the following strategic priorities for your hospital?
**Data represent the category-average percentage of 6 or 7 scores for multiple individual strategic priorities within that category
***Respondents who selected 'I don't know' for any individual variable were included in the N above but excluded from the analysis (0-1 respondents per individual priority)
Note: IT=information technology
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

### Clinical and patient care

Maintaining clinical care quality is a top priority for hospitals in Spain. Within the category of clinical/patient care, some of Spain's top strategic priorities (by percentage of respondents ranking them moderately to very important, a score of 6 or 7 out of 7) include reducing medical errors, improving infection control, improving quality metrics performance, reducing readmission rates and improving patient satisfaction. The Sistema Nacional de Salud's (SNS, Spain's national health system) High-End Technology Equipment Investment Plan (Plan de Inversiones en Equipos de Alta Tecnología, INVEAT), launched in 2021 to upgrade out-of-date medical equipment, may help support several of these priorities and improve the quality of patient care possible.[2]

If access to greater funding and improvements in Spain's staffing situation can be achieved to facilitate change, there is great opportunity for the quality of hospital care in Spain to be advanced in the future through a strong focus on clinical and patient care.

## Staffing

Staffing is another important priority for many hospitals in Spain. Spain's healthcare system has an overall shortage of nursing staff, with a density of 5.9 nurses per 1,000 people in 2019 compared to the EU average of 8.4 per 1,000.[3] In addition, while the density of doctors in Spain overall is not as major a concern as in other European countries, there is an uneven distribution of doctors, geographically and by specialty, that creates a shortage of doctors for patients in some areas.

Respondents in Spain confirm that staffing is a key priority for hospitals, and they rate attraction and retention of physicians as the joint most important priority overall (c.85% of total respondents rate it as moderately to very important). Attraction and retention of allied medical/non-clinical staff and nurses followed, with c.75% and c.65% of Spanish respondents rating them as moderately to very important, respectively. While both private and public sector respondents perceive the importance of attraction and retention of physicians and nurses similarly, respondents in the public sector rate attraction/retention of non-clinical and allied medical specialists more important than do private hospital respondents.

A range of growth strategies are being considered by hospitals to expand their care offerings, with public hospitals in particular more likely to pursue such options.

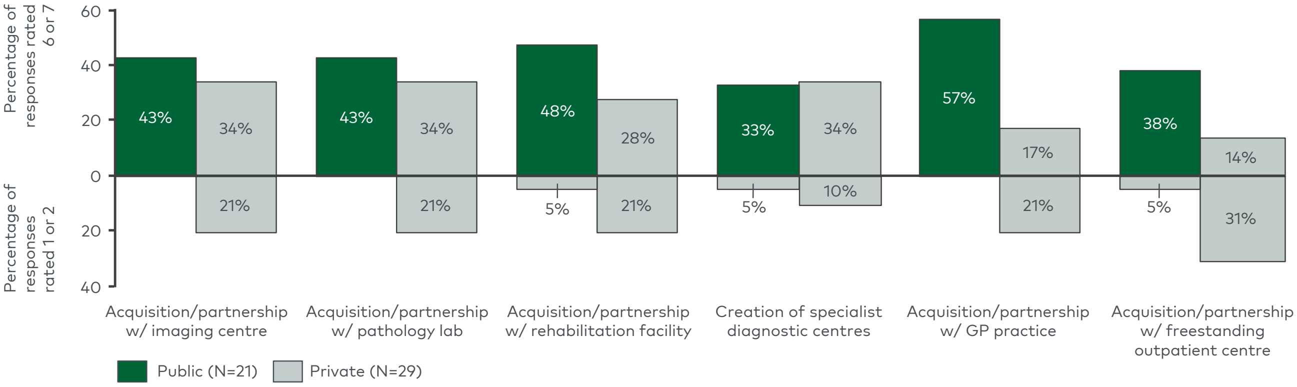
Spanish hospitals are considering different growth options to expand their patient capacity and broaden their care offerings via acquisitions, partnerships or mergers.

In L.E.K.'s survey, public hospital respondents are more likely than private hospital respondents to pursue a range of growth strategies, with c.40%-50% of respondents noting they are moderately or very likely to pursue (scores of 6 or 7 out of 7) acquisition of or partnership with an imaging centre, a pathology lab or a rehabilitation facility in the next three years (see Figure 2). This may be because public hospitals have invested less in their infrastructure and equipment compared to private hospitals and therefore have greater need for support from an external partnership to be successful. Acquisition of or partnership with a general practice is topmost likely in the public sector, rated as moderately or very likely to be pursued by c.55% of respondents.

## Figure 2

Growth strategies for hospitals in the next three years*

Assessed on a scale of 1-7, where 1 means 'not at all likely' and 7 means 'very likely' to pursue




*Survey question: How likely is your hospital to pursue the following strategic options in the next three years?
Note: GP=general practitioner
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

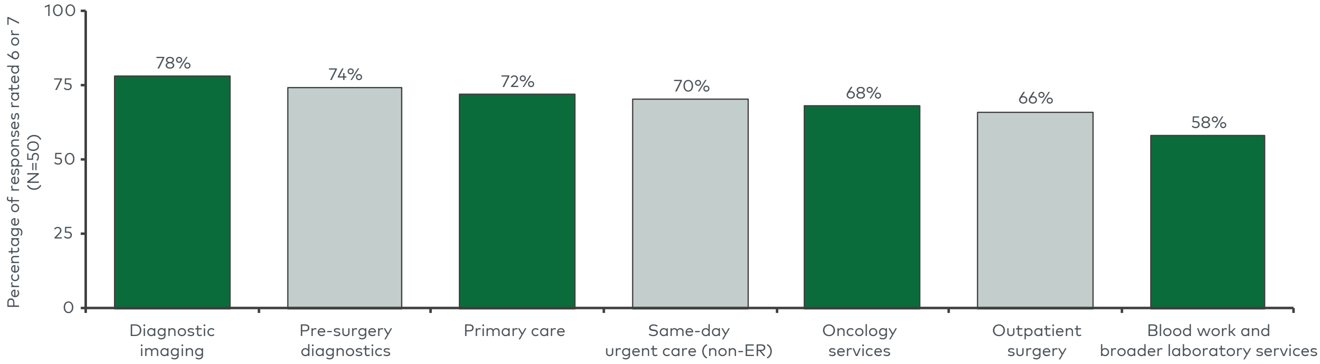
## 2. The majority of public and private hospitals expect to provide more outpatient services in the next three years, notably in diagnostics, primary care and urgent care

There is a trend towards greater care delivery in public and private outpatient settings, and the majority of hospital respondents expect to provide a broad range of outpatient services (diagnostic imaging, pre-surgery diagnostics, primary care, etc.) more frequently over the next three years (see Figure 3). For example, c.80% of respondents expect diagnostic imaging to be provided moderately to significantly more in 2025 compared to 2022.

## Figure 3

Hospitals' expected increases in frequency of providing various outpatient services from 2022 to 2025*

Assessed on a scale of 1-7, where 1 means 'providing significantly less often in 2025 vs today' and 7 means 'providing significantly more often in 2025 vs today'




| | Diagnostic imaging | Pre-surgery diagnostics | Primary care | Same-day urgent care (non-ER) | Oncology services | Outpatient surgery | Blood work and broader laboratory services |
|---|---|---|---|---|---|---|---|
| Public (N=21) | 76% | 81% | 86% | 62% | 71% | 81% | 67% |
| Private (N=29) | 79% | 69% | 62% | 76% | 66% | 55% | 52% |

*Survey question: Please indicate whether your hospital expects to provide each of the below services more often or less often in the next three years (2025 compared to today)
Note: ER=emergency room
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

Interest in increasing outpatient services varies by sector and service area. In line with the greater likelihood of public hospitals pursuing growth strategies highlighted in the previous section, public hospital respondents also show greater interest in providing more of several types of outpatient care services, including primary care, outpatient surgery, and bloodwork and broader laboratory services. Conversely, private hospital respondents are more likely than public hospital respondents to provide moderately to significantly more same-day urgent care by 2025.

The shift towards more outpatient care is being enabled by innovations in clinical care that are continuing to shorten recovery times, thereby allowing more patients to leave the same day as their procedure or treatment. This benefits hospitals, as moving patients to outpatient wings enables staff to manage more patients per day and reduces the cost per patient given hospitals do not need to pay for a patient's overnight stay and round-the-clock care.

## 3. Patient engagement, claims and revenue management, and core clinical system enhancement are top digital priorities for many hospitals and will support their focus on improving patient and clinical care

Over the past three years, hospitals have invested in many areas of digital health to advance care and try to find cost savings. In L.E.K.'s survey, Spanish respondents indicate that past investments were greatest in patient engagement and clinical digital health tools, with c.65%, c.60% and c.50% of hospitals having invested significantly in basic patient engagement tools, advanced patient engagement tools and surgical treatment enhancements, respectively, in the past three years.

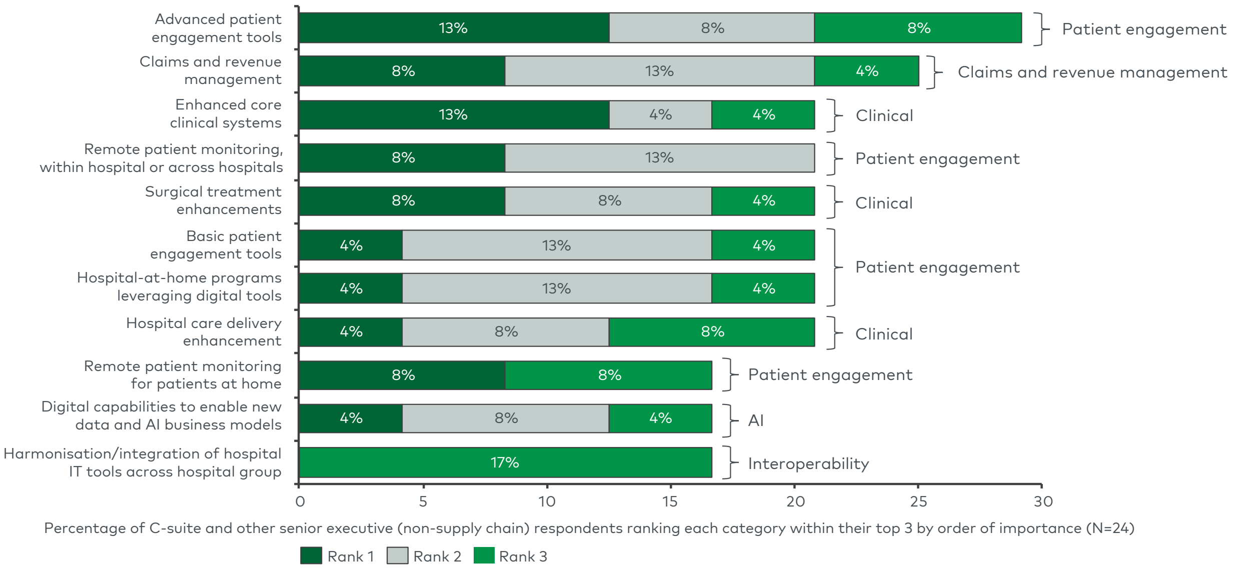
As a result, Spain's private hospitals are fairly digitalised and public hospitals nationally have emergency medical records (EMRs), although they lack national connectivity or sharing with private hospitals. E-prescriptions are increasingly common, and e-consultations fuelled by COVID-19 have become an option across most of Spain.

In the coming years, Spain's digital infrastructure is likely to continue to improve, as evidenced by the current 'Digital Spain 2026' roadmap and SNS's digital health plan for 2021 to 2026[4] that focuses on developing digital health services, improving the interoperability of health information and boosting data analytics. For several hospitals, the potential to achieve cost optimisation through the use of new digital solutions is an additional driver to invest in digital health.

In L.E.K.'s survey, C-suite and other senior executive (non-supply chain) respondents most frequently ranked advanced patient engagement tools, claims and revenue management, and enhanced core clinical systems in their top three most important areas of digital health over the next three years (see Figure 4).

## Figure 4

Most important* areas of digital health for hospitals over the next three years**




*Only the top 11 most important areas of digital health have been shown; others surveyed include, for example, telehealth and virtual care tools for patients at home or within and across hospitals and provider workflow
**Survey question: Please indicate the three most important areas for your organisation when it comes to digital health in the next three years (2025)
Note: AI=artificial intelligence; IT=information technology
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

- **Advanced patient engagement tools** (e.g. patient decision support and education, interactive patient communities) could improve the patient experience and perceived level of support outside scheduled interactions with healthcare practitioners (HCPs), helping hospitals increase patient satisfaction and 'win' patients in competitive local markets

- **Claims and revenue management** includes revenue cycle management, risk coding and adjustment, and data analysis to inform relevant decision-making; digitisation of such activities is likely to improve process efficiency

- **Enhanced core clinical systems** such as via EMRs that connect between regions and between private and public hospitals may reduce the administrative burden on HCPs and improve the information transfer between hospitals

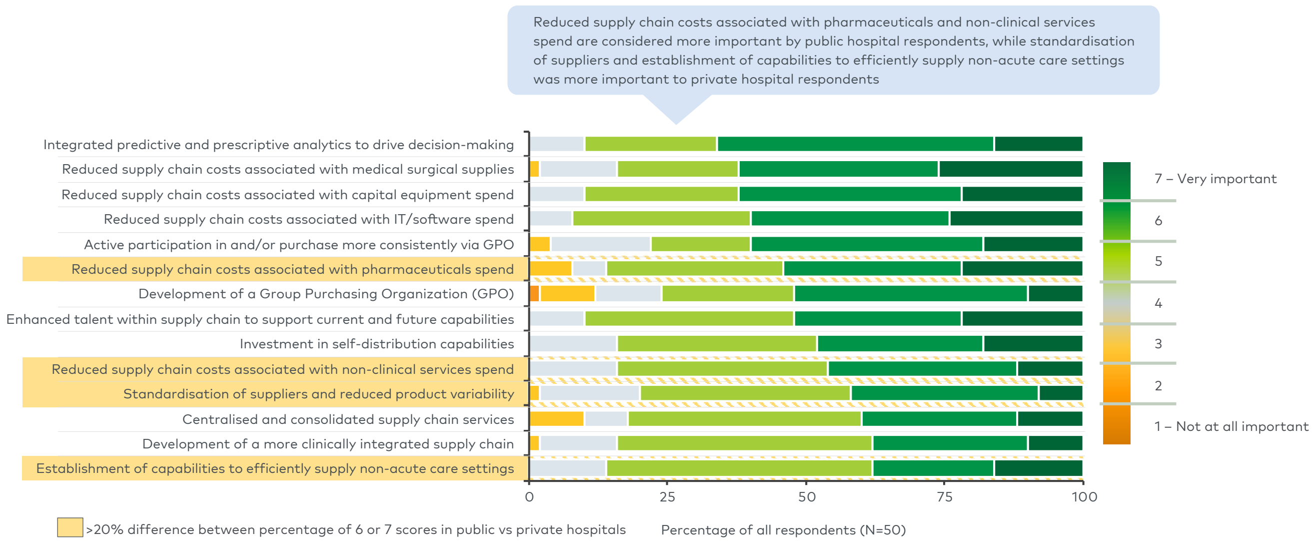
## 4. Many hospitals are looking to reduce costs within their supply chains as well as prioritise integrating predictive and prescriptive analytics to drive decision-making processes

The COVID-19 pandemic created significant pressure for hospitals in Spain, including across their supply chain operations, and many hospitals are still recovering and looking for ways to reduce costs. Three of the top four supply chain priorities are associated with cost reductions (in medical and surgical supplies, capital equipment, and IT software), based on the percentage of scores of 6 or 7 out of 7 (meaning moderately to very important; see Figure 5).

**Figure 5**

Hospital supply chain priorities in the next three years*

Assessed on a scale of 1-7, where 1 means 'not at all important' and 7 means 'very important'




*Survey question: Which of the following supply chain priorities do you expect to be most important for your hospital in the next three years (by 2025)?
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

The topmost important priority as rated by respondents, however, is integrated predictive and prescriptive analytics to drive decision-making within hospital supply chains (two thirds of respondents rate it moderately to very important). The ability to increase the speed and quality of decisions would create efficiencies for existing staff and help hospitals optimise broader supply chain operations.

In addition to those cost savings areas mentioned, a greater proportion of public hospitals than of private hospitals consider cost savings in pharmaceuticals and non-clinical services moderately to very important. Conversely, standardisation of suppliers and establishing efficient supply to non-acute care settings are more important on average to private hospital respondents.

With a focus on finding cost efficiencies across Spain's healthcare sector, there is potential for major change in hospital supply chain operations over the coming years, with hospitals trialling different solutions and digital innovations to achieve this.

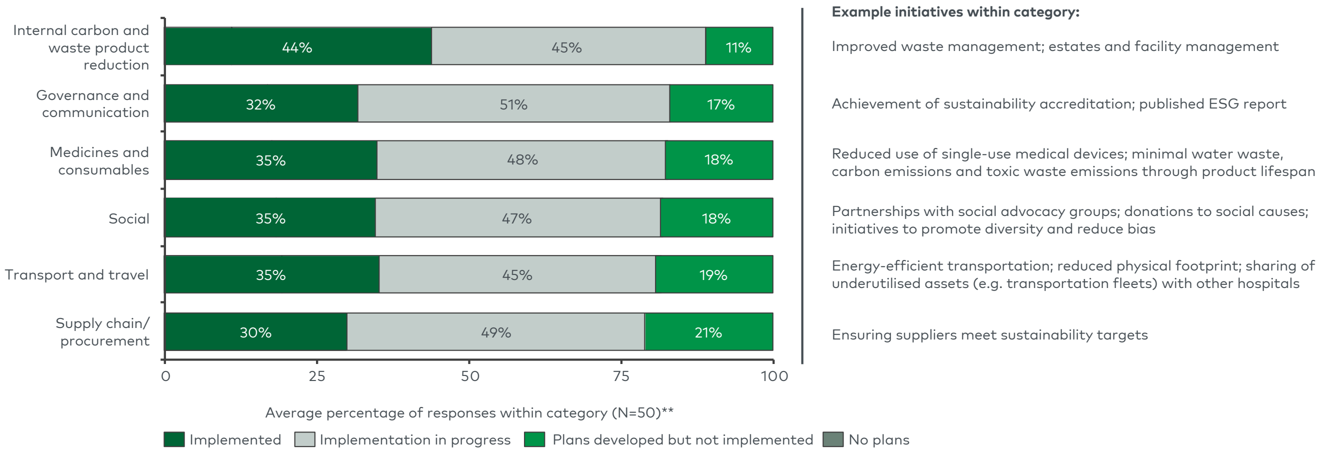
## 5. Hospitals are widely implementing ESG initiatives, particularly those relating to internal carbon and waste product reduction such as improved waste management

ESG considerations are becoming increasingly important for hospitals across Europe, and Spain is already implementing initiatives across a range of areas.

In L.E.K.'s survey, 98% of Spanish respondents report they already have defined sustainability targets in place at their hospital. These targets include ESG initiatives across a range of areas, such as internal carbon and waste product reduction, transport and travel, governance and communication, and medicines and consumables (see Figure 6).

**Figure 6**

Hospital implementation of ESG initiatives by category*




*Survey question: Which of the following environmental, social and governance initiatives is your hospital currently implementing?
**Data represent the category-average percentage implemented, in progress, plans developed but not implemented, or no plans for multiple individual initiatives within that category (examples shown)
Note: ESG=environmental, social, and governance
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

Internal carbon and waste product reduction is the most advanced, with c.90% of hospital respondents indicating their hospital is implementing or has already implemented surveyed initiatives in these areas. For example, c.50% of respondents' hospitals have already implemented initiatives for improved waste management. Investments into areas of ESG in hospitals are likely to continue, as there is increasing responsibility placed on hospitals to show they are considering ESG in their operations and future growth goals.

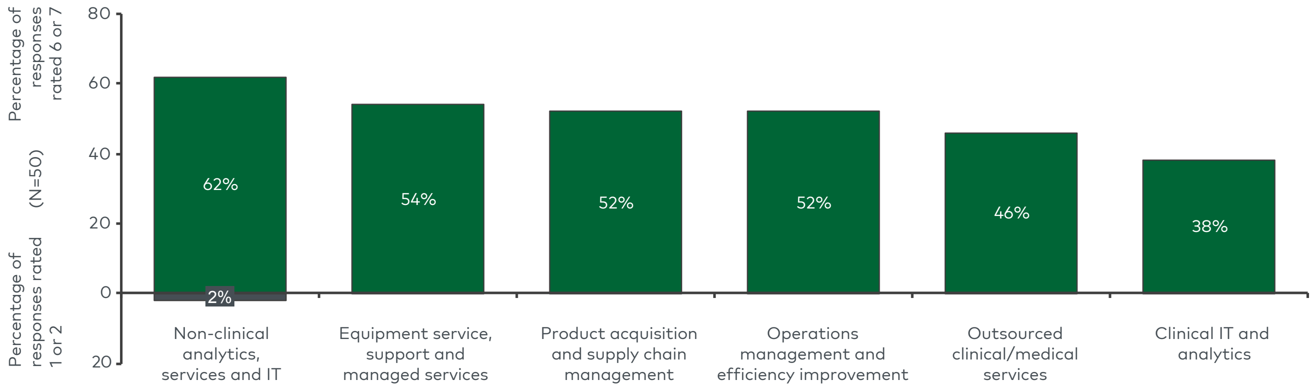
## 6. A significant proportion of hospitals are interested in a broad range of services from medtech or other medical suppliers, including non-clinical analytics and equipment service and support

To advance the quality of clinical care as well as reduce hospital staff shortages, hospitals recognise the value of sourcing a range of services from external medical suppliers and medtech companies (see Figure 7).

**Figure 7**

Hospital-perceived value of services that medtech and other medical suppliers could provide*

Assessed on a scale of 1-7, where 1 means ‘not at all valuable’ and 7 means ‘very valuable’




*Survey question: How valuable are each of the following services that medtech and other medical suppliers could provide to your hospital?
Note: IT=information technology
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

Hospital respondents rate non-clinical analytics, services and IT as the most valuable (c.60% of total respondents rate this as moderately to very valuable, 6 or 7 out of 7). Respondents also consider multiple other services as valuable options to support them, including equipment service, support and managed services, product acquisition and supply chain management, and operations management and efficiency improvement (rated moderately to very valuable by 50%-55% of respondents). Interestingly, respondents in the private sector rate outsourced clinical/medical services; non-clinical analytics services; operations management and efficiency improvement; and equipment service, support and managed services as more valuable than did respondents in the public sector.

- **Non-clinical IT and analytics** includes areas such as patient administration and revenue cycle management. Given the staffing issues in some areas of Spain, some hospitals may benefit from external support in these capabilities.
- **Equipment service, support and managed services** includes tasks such as product training, device maintenance and product cleaning. This often requires specialist knowledge relating to single pieces of equipment that individual hospitals, particularly in the public sector, do not have across all of their medical equipment.

- **Product acquisition and supply chain management** may involve support in product selection, purchasing assistance, price benchmarking and supply chain logistics management.

The variety of services considered valuable highlights that hospitals are open to growing their offerings through relationships with external suppliers, particularly within the private sector, which may help reduce the pressure on existing hospital staff in the future.

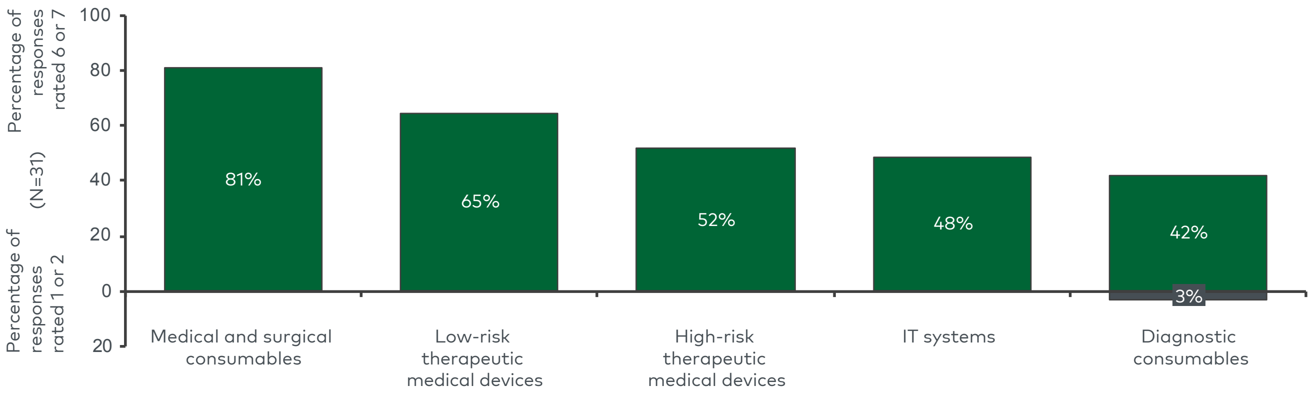
## 7. In line with the expected emergence of outcome-based pricing options, some hospitals show interest in using such models for certain product categories, particularly medical and surgical consumables

Spanish hospitals show significant interest in adopting pricing models based on patient outcomes, despite there being few examples of this today (see Figure 8). This is particularly apparent for medical and surgical consumables, for which c.80% of primary clinical decision-makers are moderately to very interested in using outcome-based pricing models (rated 6 or 7 out of 7). There is also some interest in these pricing models for therapeutic medical devices, but less interest for diagnostic consumables. Given the financial pressures that many hospitals are facing, outcome-based pricing may be a way to contain spending in these categories.

**Figure 8**

Clinical decision-maker interest in pricing models based on patient outcomes for different product categories*

Assessed on a scale of 1-7, where 1 means 'not at all interested' and 7 means 'very interested'




*Survey question: Would you be interested in a pricing model based on patient outcomes in the following product categories?
Note: IT=information technology
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

## Conclusion

L.E.K.'s 2023 European Hospital Survey highlights several challenges for hospitals in Spain, as well as the multiple ways hospitals are navigating these challenges, to continue to improve patient care quality, efficiency and access.

Over the next three years, hospitals in Spain expect to increase the provision of outpatient services, advance their digital capabilities, optimise supply chains and continue to focus on alleviating staffing shortages. Furthermore, hospitals recognise the benefit of continuing to grow to support these ambitions. They are showing interest in expansion through acquisitions or partnerships, as well as leveraging support from external suppliers, to better align with the current and future needs of the Spanish market.

Hospitals looking to become leaders in their region must remain aware of these trends; they should be prepared to invest in new capabilities and carefully consider evolving their long-term strategies if they are to keep up with other hospitals and improve the efficiency of their care delivery in the years to come.

To discuss the findings of this survey in more detail, please contact Jacqueline Thompson **j.thompson@lek.com**.

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### Related *Executive Insights* from the European Hospital Survey 2023

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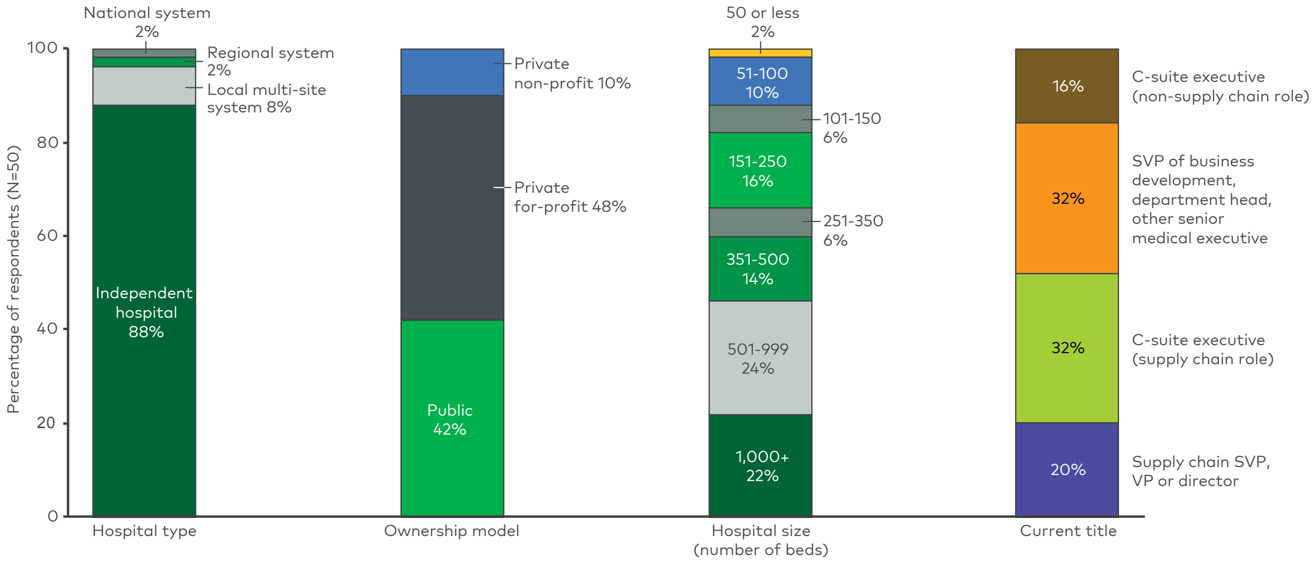
## Appendix: Background and methodology

L.E.K. Consulting has conducted an online survey on the views of 50 key executives and supply chain directors of public and private sector hospitals in Spain, which was fielded from October to December 2022 (see Figure 9). All respondents were involved in decision-making or were primary decision-makers for clinical and non-clinical products/services at their hospital/hospital group.

### Figure 9

Spain hospital survey respondent mix*




*Only respondents working primarily in hospitals or hospital groups are included; those working in outpatient settings, nursing facilities or primary care were not included
Note: SVP=senior vice president; VP=vice president
Source: L.E.K. 2023 European Hospital Survey, Spain respondents

Data shown in this report are raw averages across respondents. There was no weighting/rebalancing of responses from any of the demographics indicated above.

#### Endnotes

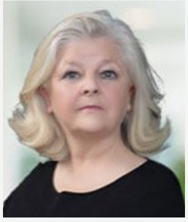
[1]OECD, 'State of Health in the EU – Spain Country Health Profile'.
https://read.oecd-ilibrary.org/social-issues-migration-health/spain-country-health-profile-2021_7ed63dd4-en#page1

[2]La Moncloa, 'The government will allocate in 2021 nearly 400 million euros in high-tech equipment for the SNS'.
https://www.lamoncloa.gob.es/serviciosdeprensa/notasprensa/sanidad14/Paginas/2021/300621-altatecnolog-a.aspx

[3]OECD, 'State of Health in the EU – Spain Country Health Profile'.
https://read.oecd-ilibrary.org/social-issues-migration-health/spain-country-health-profile-2021_7ed63dd4-en#page1

[4]National Health System, 'Digital health strategy, National Health System'.
https://www.sanidad.gob.es/ciudadanos/pdf/Digital_Health_Strategy.pdf

## About the Authors



**Jacqueline Thompson**

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