

The Lebanese Health Sector - Challenges and Recommendations

I. The State of the Health Sector in Lebanon: Identified Challenges

Deficits in Doctors and Specialized Medical Professionals

- o According to Joseph Helou (Lebanon's Health Ministry's Director of Medical Care), over 40% of the medical workforce, or approximately 2,000 nurses and 1,000 physicians, had already departed Lebanon during the crisis, with the majority traveling to Europe and the Gulf. Much of these professionals were specialists, causing several private hospitals to close sections such as cancer, heart and bone disorders, and pediatrics.¹
- o This is only exacerbated by an existing, severe imbalance in health-care human resources, with a surplus of medical doctors and a severe lack of nurses, paramedics, midwives, and health-care managers. In addition, the distribution of resources is uneven, favoring larger cities.²

Critical Shortage of Medical Drugs

- o The Lebanese health sector, already under considerable strain due to the COVID-19 pandemic and the August 4th Beirut port explosion in 2020, faced in July 2021 a critical risk of severe medical drug shortage.
- o There is a deficit in pharmaceuticals key to the treatment of multiple sclerosis, diabetes, and cancer; but **also** of ordinarily widely-available drugs, such as Noradrenaline and Magnesium Sulfate. Furthermore, the shortage has been further exacerbated by an increase in the illegal hoarding and smuggling of imports (especially medicine).³
- o In light of hyperinflation and mounting unemployment, the Lebanese government began to subsidize critical items in 2020. However, in June 2021, Lebanon's Central Bank could no longer afford to send dollars to banks to stretch lines of credit to importers (of pharmaceuticals in particular) claiming a substantial disparity in its import bill—roughly \$1.5 billion in the first half of 2021, more than the \$1.173 billion supplied to account for the whole of 2020—and market deficits.⁴

Unaffordable Health Care Services

- o One of the main features of the Lebanese healthcare system is the dominance of the private sector (>85% of services; over 80% of Lebanon's hospitals are private). In the wake of the economic crisis, private and public hospitals are both inaccessible; entry is barred, even in the case of emergencies, unless cash is able to be paid out of pocket.

1 Lebanon's healthcare on brink of collapse amid crisis, says minister | Reuters
<https://www.reuters.com/world/middle-east/lebanons-healthcare-brink-collapse-amid-crisis-says-minister-2022-01-20/>

2 COUNTRY COOPERATION STRATEGY
<http://www.databank.com.lb/docs/Country%20Cooperation%20Strategy%20Lebanon%202019%20-%202023%20WHO.pdf>

3 Lebanon faces critical shortage of drugs - The Lancet Oncology
[https://www.thelancet.com/journals/lanonc/article/PIIS1470-2045\(21\)00396-X/fulltext](https://www.thelancet.com/journals/lanonc/article/PIIS1470-2045(21)00396-X/fulltext)

4 How greed fueled Lebanon's deadly milk and medicine shortage
<https://edition.cnn.com/interactive/2021/10/world/lebanon-shortages-intl-cnnphotos/>

- o Furthermore, the Lebanese Social Services can only cover up to 10% of any given patient's medical bill. Private hospitals should not have to shoulder the brunt of the cost and treat patients at their own expense in these circumstances.
- o Furthermore, due to years of bad policies and mismanagement, roughly 20% of the financial support originating from the World Health Organization (WHO) and the World Bank intended to be invested in primary care was actually employed, leaving 80% of these funds unaccounted for.

Fragmentation and Over Reliance of the Social Protection System on “Safety Net” Emergency Measures

- o Only three programmes have been implemented by the Ministry of Health (MoH) and the Ministry of Social Affairs (MoSA): **the** National Programme Targeting Poverty (NPTP); the Emergency Social Safety Net (ESSN); and the “Ration-Card” programme. However, they all suffer from extremely poor implementation—be it through political and technical delays or vague criteria—not to mention concerns over transparency and fund provenance, as well as overall sustainability.
- o Ultimately, these approaches are fragmented, and tackle social support as an emergency measure that does very little to mitigate poverty.⁵

The Failure of the Social Protection System

- o Lebanese social security schemes are contributory-based, i.e. they are tied to productivity & individual capitalization and thus are linked to one's formal employment; this is problematic given the informalization of Lebanon's labor market post-civil war, which historically excluded several categories of workers from labor regulations and, in turn, social security mechanisms.
- o Because benefits tend to be distributed proportionally to income, low-income groups actually benefit the least from social security schemes. Consequently, Lebanese suffer from extreme pauperization.
- o Moreover, a 2021 survey by the International Labor Organization (ILO) attests that:
 - Prior to the late 2019 crisis, 1 in 3 (34.3%) Lebanese residents were excluded from the social protection system, whilst 52.8% of the non-Lebanese citizens surveyed did not benefit from any sort of social protection services.⁶
 - “Over 90% of total benefits distributed through social protection schemes was constituted of benefits from contributory social protection, such as retirement pension and health insurance, and more than 70% of those affiliated with social insurance schemes belonged to the upper half of the income distribution”; i.e. over 60% of total social security aids that do not include private insurance were distributed to persons in the ILO sample's richest income bracket.
- o In the wake of multiple exchange rates and social security benefits, most public and private hospitals are not accepting third-party payments from public social security institutions (civil servants, military and security forces cooperatives, and the NSSF) because they pay social security benefits in accordance with the official exchange rate of 1,515 LBP for the dollar, while the so-called black market exchange rate fluctuates on the daily and reached a peak of 33,000 in January of 2022.

⁵ Ibid.

⁶ Towards a Social Protection Floor for Lebanon
https://www.unicef.org/lebanon/media/6231/file/Towards_a_Social_Protection_Floor_for_Lebanon_Lifecycle_Social_Grants_EN.pdf

II: Solutions to Reform & Improve the Lebanese Health Sector

In the short term:

- o **Removing all subsidies and opening up the market to allow greater imports of medication.**
The current crisis of medication resulted from the Central bank's inability to cover the cost of medication which they have long subsidized. As a result of these subsidies, the Lebanese market continues to face shortages. There needs to be a removal of subsidies as soon as possible, and the market should be opened up to allow companies to import medication in order to solve the crisis in the short term. As for Cancer treatment, due to its expensive nature, the Central Bank should be willing to continue to subsidize this treatment, with an average cost of \$25 million per year.
- o **Reinforcing and redirecting the primary health care system at the Ministry and NGO level.**
Primary healthcare facilities that belong to the Ministry of Health need to be supported in order to provide for those most vulnerable; this move comes in parallel to stopping subsidies as a means to care for the poor, whilst also solving the issue of the lack of medication.
- o **Implementing governance reforms in order to allow for greater international aid and support**
The crisis in Lebanon has been driven by years of corruption, which ultimately contributed to the breakdown of the healthcare sector. A first step towards recovery is implementing all the required reforms from the World Bank and other donor institutions to allow greater investment in the health sector in Lebanon, and to mitigate the consequences of the ongoing crisis.
- o **Reaching out to Lebanese diaspora—doctors and others—to provide primarily financial aid to the struggling health sector in Lebanon.** Cooperation with the diaspora can even be translated into implementing a Private Public Partnership (PPP) plan with financial incentives for the private sector, as well as promoting health tourism.
- o **Limiting the immigration of nurses and healthcare professionals by:**
 - o Paying nurses salaries and all dues urgently in a timely manner.
 - o Implementing the approved salary scale in all governmental hospitals.
 - o Increasing salaries of nurses working in the private sector by 40% based on the exchange rate of the official platform.
 - o Decreasing the official working hours in the private sector to 35 hours per week to commensurate with the public sector.
 - o Ensuring a safe, favorable work environment to reinstate the state of trust.
 - o Providing financial and moral support for workers in the sector.
 - o Coming up with a retention incentive strategy including financial, safety, career ladder and family support mechanisms.

In the long term:

- o **Providing healthcare coverage for all Lebanese citizens through a compulsory health care program.** Every Lebanese citizen will have a mandatory basic health insurance under The Healthcare Insurance Act. This entails that Lebanese citizens will be legally obliged to take out standard health insurance (as a form of tax) to cover the cost of, for example, hospital treatment and prescription medication.
- Countries with healthcare models similar to the one outlined above include the Netherlands.⁷
- o **Formulate a health map in order to rationalize investments in the health sector and help decision-makers to more effectively govern processes related to the allocation of physical, intellectual, and financial resources within the sector.** Health needs maps is an extensive analytical tool supporting managerial decisions in health care. They are aimed to present demographic and epidemiological trends, health care infrastructure and future needs in this area. These health maps will enable medical needs to be identified within different Lebanese regions, and accordingly, will serve as a tool to encourage hospitals to specialize with the aim of creating centers of excellence.

⁷ Netherlands | Commonwealth Fund
<https://www.commonwealthfund.org/international-health-policy-center/countries/netherlands>

o **Improving access to quality, safe, effective and affordable medicines and other health technologies**, through building capacity for local production, technology transfer on voluntary and mutually agreed terms with other countries, supporting the development of voluntary patent pools and other voluntary initiatives and promoting generic competition in line with the World Health Organization's road map for access to medicines, vaccines and other health products 2019-2023.

- Per the aforementioned document,⁸ activity areas include the researching and developing of pharmaceuticals and vaccines guided by public health demand, through the development of policies that enable strategic production of essential pharmaceuticals for local production; cost-effective production and pricing of these pharmaceuticals; promote and foster innovation and public health through the strategic management of intellectual property; increased procurement and supply chain management capabilities; the suitable prescription and administration of medication; supporting and maintaining existing regulatory procedures to guarantee the quality and reliability of pharmaceuticals and vaccines; enhance regulatory readiness in the event of public health emergencies; endorse good governance practices for the state and private sector alike; improve collection of key data regarding pharmaceuticals and vaccines; enhancing the capabilities of the health workforce to improve access to pharmaceuticals and vaccines.

o **Reforming the contractual relationship between the Ministry of Public Health (MOPH) and hospitals** by amending the contracts to balance the obligations and rights of all parties involved, including acceptable payment grace periods and a scientific process to calculate tariffs that take yearly inflation indicators into consideration.

o **Creating a national centralized emergency cell** responsible for the management of crises, accidents, diseases, and catastrophes, similar to the Lebanese Army's operating center and the French Service d'Aide Médicale Urgente (SAMU).

o **Founding telemedicine centers in rural areas across the country to provide easy access to healthcare for those most in need.** Telemedicine includes teleconsultations, videoconferencing, and remote patient monitoring. Patients usually access telemedicine at a local hospital, clinic, pharmacy, or kiosk, where local healthcare workers consult with doctors or specialists on diagnosis and treatment options. Telemedicine facilitates access to expert healthcare for both patients and local healthcare workers in several ways: it provides healthcare workers at local hospitals, clinics, or pharmacies access to expert help from more experienced physicians or specialists; it offers reassurance to both local healthcare workers and patients; it reduces the travel time expense and stress associated with seeking specialist care. It also encourages local healthcare workers to remain in rural areas, by augmenting professional support and allowing them to continue their professional development.

- Countries all around the world have adopted telemedicine, and this form of medical care has seen an up-take after the start of the Covid-19 pandemic, setting a clear trend for the future of medicine.^{9 10}

o **Improving governance at the Ministry level in order to reassess the relationship between the Ministry of Public Health and hospitals.** Previous governments and ministers have been incompetent in terms of managing the sector, and have neglected investing the necessary funds for academic and research development. The relationship between the hospitals and the Ministry needs to be re-evaluated in order for the Ministry to take into consideration hospital needs and shape health policy accordingly.

o **Re-establish the Lebanese Central Laboratory** responsible for ensuring the safety and efficiency of drugs, food items, and water before they are introduced and circulated within markets.

⁸ Roadmap for access 2019-2023
https://www.who.int/medicines/access_use/Roadmap_for_access_zero_draft.pdf

⁹ Examples of telemedicine application worldwide | Cancer World Magazine
<https://cancerworld.net/examples-of-telemedicine-application-worldwide/>

¹⁰ Fact sheet MEDICARE TELEMEDICINE HEALTH CARE PROVIDER FACT SHEET
<https://www.cms.gov/newsroom/fact-sheets/medicare-telemedicine-health-care-provider-fact-sheet>