

Primary health clinics take priority in Saudi Arabia

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The kingdom is on a drive to improve access to private medical care. With huge private and state investment, the sector looks set for a successful overhaul



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Key fact

Over the next five years, Saudi Arabia aims to build 2,000 primary health centres and 100 hospitals across the country

Source: MEED

By 2015, Saudi Arabia plans to have 2,700 primary health clinics across the kingdom. This compares with just 700 that exist today. "Every corner of the country will be covered," Mohammed Khoshim, deputy minister for planning and development at the Ministry of Health (MoH) tells MEED.

"Primary healthcare is our cornerstone. We will provide primary, secondary and tertiary care to everyone who is eligible. The private sector will take care of the expatriates and the Saudi's that work for private companies."

Health insurance

Thanks to the Cooperative Health Insurance Law introduced in October 2005, about 6 million of the kingdom's 25 million population are now covered by private health insurers. The legislation demands all expatriates are covered by private healthcare and in 2009 this was expanded to cover Saudi nationals working for private-sector companies and dependents. The effect of this has been the growth and strengthening of the kingdom's network of private health providers.

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Mohammed Khoshim,
Ministry of Health


"By 2009, most major companies had already bought health insurance, but the second category of smaller companies moved along gradually as they have more limited budgets," says Ayman el-Hout, general manager of Lebanese insurance firm Mediterranean and Gulf Insurance and Reinsurance Company (Medgulf). The company's health insurance

arm has agreements in place with more than 700 private health providers making it one of the kingdom's largest insurers. El-Hout reports strong growth at Medgulf ever since the introduction of the new health insurance law.

This is in line with the broader market response. The kingdom's health insurance sector grew 52 per cent to SR7.3bn (\$1.9bn) in 2009, from SR4.8bn in 2008. The surge in private insurance has been accompanied by soaring

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demand for treatment and although new private facilities are being built, insurers report an undersupply. A particular challenge for firms is finding private health providers in rural locations, as most opt for densely populated areas to maximise patients and profits. "There is growth, but it is concentrated in the main areas and has not extended to rural areas, where more clinics and emergency facilities are needed," says El-Hout. "For example, we had demand from a contractor in a highly remote area. We would like to cover them and we were willing to, but there were no providers."

It is estimated there will be a shortfall of 29,600 hospital beds in the kingdom by 2012. At present, the MoH provides 60 per cent of all beds, with other government institutions such as the National Guard providing a further 20 per cent and private hospitals the remainder.

The private sector's share is expected to increase considerably, but previously announced plans for the MoH to privatise its existing hospitals or enter into public-private partnerships to outsource their management remain on hold. "Once the new facilities are built we will think about it, but this will not be for at least five years," says Khoshim.

Instead, the MoH intends to spend the next five years focusing on infrastructure development, including the construction of 2,000 primary health centres and 100 hospitals. To support the investment, the MoH was allocated \$16.3bn budget for 2010, equivalent to 11 per cent of the total state budget.

It is understood the network of primary health centres is being built in three phases. Construction of 180 clinics is already under way in Mecca and Jizan. The contract has been separated into two packages: Turkey's Gunal Construction Trading & Industry Corporation and Mapa Construction & Trading Company are building 152 of the new centres, while the local Haif Trading & Construction Company is responsible for the remaining 28.

Hospital construction

Other facilities to be built include a 300-bed maternity hospital in Dammam – the first of five new maternity units to be constructed across the country. Contracts for hospitals in Tabuk, Hail, Sakah and Jeddah are in the pipeline, but the Dammam scheme will be the first to be signed. The \$100m award is expected by the end of the first quarter of 2011. The local East Consulting Engineering Centre drew up the designs for the hospital and they are now awaiting approval from the health ministry.

A series of smaller 100- and 50-bed hospitals are also under construction in locations, including Al-Baha, Jeddah, Qurrayat, Al-Haditha, Al-Ahsa and Taif. A larger medical city is planned for the northern province of Najran, which will include a 200-bed hospital, a dentistry centre, ophthalmology facilities and a psychiatric unit. The \$61m complex is part of the Najran University campus, the construction of which got under way in 2006.

Investment in new facilities is also being undertaken by private providers. The kingdom's biggest private health providers include the local Saudi German Hospitals Group, the local Almana Healthcare Group, Egypt's El-Maghraby Group, and the Royal Commission Hospitals of Jubail and

Yanbu. New players are keen to join the market. The UAE's DM Healthcare says it plans to build five new hospitals in Saudi Arabia, alongside 15 clinics and 15 pharmacy centres, worth SR250m, by 2015.

To support this growth, the MoH says it is working to improve the investment climate for private companies. "We are now supporting the private sector and making it a lot easier for them to invest and talk to the ministry. There are no restrictions for anyone who wants to build hospitals," says Khoshim. "The sector is growing and studies are under way to determine how profitable it is, and it is profitable. There is growth all over the kingdom."

The rising demand for health services is being driven by several key factors. The Saudi population is both ageing and expanding, with rates of diabetes, cancer and cardiovascular disease on the rise, along with obesity. According to US consultant Booz Allen Hamilton, demand for hospitals beds will reach 70,000 by 2016, from 51,000 in 2007.

People aged 65 and over account for 4 per cent of the population today, but this is expected to rise to 7 per cent by 2020. The increasing prosperity of Saudi Arabia is bringing mixed benefits in terms of health. Better treatment and levels of care are expected and afforded, but at the same time affluence has led to most of the population being overweight with the average adult body mass index (BMI) being 30 rather than a healthy 25 or below. The global average is 23.

Diabetes crisis


As a result, diabetes is on the rise. With a prevalence of 13.6 per cent, Saudi Arabia has the second highest rate of diabetes in the entire Middle East and North Africa region, which reports an average of 7.7 per cent. Saudi Arabia is narrowly behind Bahrain, which has a rate of 14.4 per cent, and slightly ahead of Qatar with 13.3 per cent. Less affluent states such as Yemen have rates as low as 2.2 per cent.

Incidences of diabetes-related illnesses are also climbing. Surgeons in Saudi Arabia's major hospitals have reported a rise in diabetes-related amputations. Feet are at particular risk and according to Dubai's Mayo Clinic there are two main reasons for this: Nerve damage and reduced blood flow.

"When the network of nerves in your feet is damaged, the sensation of pain in the feet is reduced. Because of this, a person can develop a blister or acquire a cut without realising it. Diabetes can also narrow arteries, reducing blood flow to your feet. With less blood to nourish tissues in your feet, it's harder for sores to heal. An unnoticed cut or sore ... can quickly develop into a larger problem," the clinic explains in its diabetes advice brochures.

Unfortunately, this is affecting many Saudi citizens and is an example of why the government has changed its approach to health management. In constructing 2,000 primary healthcare centres, it is choosing to focus on preventative action rather than curative medicine. This is not to say the kingdom does not have the capacity to treat such issues. Over the past decade, it has invested heavily in medical facilities and has emerged as a regional leader in terms of surgical capacity.

Saudi Arabia's next priority is to improve its technical

capabilities. Leading IT firms such as the US's IBM and GE Healthcare have been engaged to implement an e-health system that will link all MoH systems, provide a platform for information exchange. Singapore's Mach 7 has also been contracted to create a national medical image database. 

In changing its focus to primary medicine, the kingdom hopes to reduce the pressure on hospital beds by preventing the development of chronic disease through identifying warning signs early. By introducing mandatory private health insurance it has taken a major step towards shifting the burden of healthcare provision to the private sector and improving access to treatment for a sizeable chunk of the population.



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