


**SUPPLEMENTARY HEALTH SYSTEM IN BRAZIL: BUSINESS MODEL NOT
THREATENED BY SOCIOECONOMIC CRISIS**

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ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 04 November 2022</p> <p>Accepted 09 January 2023</p>	<p>Objective: The performance of the supplementary health system (SSS) in Brazil depends on the country's ability to generate employment and income. Yet, on the other hand, even in the face of the economic crises that have hit Brazil in recent years and, more sharply, after the Covid-19 pandemic, the SSS ended 2021 with continuous growth in the number of beneficiaries. This perspective suggests possible causes to explain this contradiction while questioning the role of the State in providing a constitutional right for Brazilians.</p>
<p>Keywords:</p> <p>Regulatory Compliance; Large Philanthropical Hospital; “Empresa Pró-Ética” Program Brazil.</p>	<p>Theoretical framework: Brazilian health system can be divided into three segments: a public segment financed by the State (Unified Health System, SUS), a private segment, and a supplementary health segment, the latter two with public and private funding. The Supplementary Health System (SSS) represents a highly regulated area.</p>
	<p>Design/methodology/approach: The methodology of this work followed the rigor and steps to develop a current perspective on supplementary health in Brazil. Insights from this perspective shed light on the subject of supplementary health by providing insight into existing issues, concepts and prevailing notions about health systems.</p>
	<p>Findings: The healthcare system in Brazil is complex and combines market elements of public and social interest in a single environment. In this way, the question remains whether business models geared to the base of the economic pyramid (BoP) community have focused exclusively on making a profit by “selling to the poor” or whether they have brought a valuable commitment to social development in the country.</p>
	<p>Research, Practical & Social implications: This question deserves attention due to the de-prioritization of health on the political agenda in an election year and the critical post-Covid-19 pandemic situation. Social policies in Brazil need to go beyond guaranteeing access to credit compensating for the lack of public provision, at the risk of mortgaging the SUS as a sign of modernity and progress.</p>
	<p>Originality/value: This perspective suggests possible causes to explain this contradiction while questioning the role of the State in providing a constitutional right for Brazilians.</p>
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SISTEMA DE SAÚDE SUPLEMENTAR NO BRASIL: MODELO DE NEGÓCIOS NÃO AMEAÇADO PELA CRISE SOCIOECONÔMICA

RESUMO

Objetivo: O desempenho do sistema de saúde suplementar (SSS) no Brasil depende da capacidade do país de gerar emprego e renda. Por outro lado, mesmo diante das crises econômicas que atingiram o Brasil nos últimos anos e, mais acentuadamente, após a pandemia de Covid-19, o SSS terminou 2021 com um crescimento contínuo do número de beneficiários. Esta perspectiva sugere possíveis causas para explicar esta contradição enquanto questiona o papel do Estado na provisão de um direito constitucional para os brasileiros.

Quadro teórico: O sistema de saúde brasileiro pode ser dividido em três segmentos: um segmento público financiado pelo Estado (Sistema Único de Saúde, SUS), um segmento privado e um segmento de saúde suplementar, estes dois últimos com financiamento público e privado. O Sistema de Saúde Suplementar (SSS) representa uma área altamente regulamentada.

Projeto/método/abordagem: A metodologia deste trabalho seguiu o rigor e os passos para desenvolver uma perspectiva atual da saúde suplementar no Brasil. As reflexões a partir desta perspectiva lançam luz sobre o tema da saúde suplementar, fornecendo uma visão das questões, conceitos e noções existentes sobre os sistemas de saúde.

Descobertas: O sistema de saúde no Brasil é complexo e combina elementos de mercado de interesse público e social em um único ambiente. Desta forma, a questão permanece se os modelos de negócios voltados para a base da comunidade da pirâmide econômica (BdP) se concentraram exclusivamente na obtenção de lucro através da "venda aos pobres" ou se eles trouxeram um compromisso valioso para o desenvolvimento social do país.

Pesquisa, implicações práticas e sociais: Esta questão merece atenção devido à despriorização da saúde na agenda política em um ano eleitoral e à situação crítica da pandemia pós-Covid-19. As políticas sociais no Brasil precisam ir além de garantir o acesso ao crédito compensando a falta de provisão pública, com o risco de hipotecar o SUS como um sinal de modernidade e progresso.

Originalidade/valor: Esta perspectiva sugere possíveis causas para explicar esta contradição enquanto questiona o papel do Estado na provisão de um direito constitucional para os brasileiros.

Palavras-chave: Sistema de Saúde Suplementar, Sistema Único de Saúde, Base da Pirâmide Econômica, Modelo de Negócios, Brasil.

SISTEMA SANITARIO COMPLEMENTARIO EN BRASIL: UN MODELO DE NEGOCIO QUE NO SE VE AMENAZADO POR LA CRISIS SOCIOECONÓMICA

RESUMEN

Objetivo: El desempeño del sistema complementario de salud (SSS) en Brasil depende de la capacidad del país para generar empleo e ingresos. Sin embargo, por otro lado, incluso ante las crisis económicas que han afectado a Brasil en los últimos años y, de forma más aguda, tras la pandemia del Covid-19, el SSS terminó 2021 con un crecimiento continuo del número de beneficiarios. Esta perspectiva sugiere posibles causas para explicar esta contradicción, al tiempo que cuestiona el papel del Estado en la prestación de un derecho constitucional de los brasileños.

Marco teórico: El sistema de salud brasileño puede dividirse en tres segmentos: un segmento público financiado por el Estado (Sistema Único de Salud, SUS), un segmento privado y un segmento complementario de salud, los dos últimos con financiación pública y privada. El Sistema Suplementario de Salud (SSS) representa un área altamente regulada.

Diseño/metodología/enfoque: La metodología de este trabajo siguió el rigor y los pasos para desarrollar una perspectiva actual sobre la salud suplementaria en Brasil. Las percepciones de esta perspectiva arrojan luz sobre el tema de la salud suplementaria, proporcionando una visión de las cuestiones existentes, los conceptos y las nociones predominantes sobre los sistemas de salud.

Conclusiones: El sistema de salud en Brasil es complejo y combina elementos de mercado de interés público y social en un único entorno. De este modo, cabe preguntarse si los modelos empresariales orientados a la comunidad de la base de la pirámide económica (BoP) se han centrado exclusivamente en obtener beneficios "vendiendo a los pobres" o si han aportado un valioso compromiso con el desarrollo social del país.

Investigación, implicaciones prácticas y sociales: Esta cuestión merece atención debido a la pérdida de prioridad de la salud en la agenda política en un año electoral y a la crítica situación tras la pandemia de Covid-19. Las políticas sociales en Brasil deben ir más allá de garantizar el acceso al crédito compensando la falta de oferta pública, a riesgo de hipotecar el SUS como signo de modernidad y progreso.

Originalidad/valor: Esta perspectiva sugiere posibles causas para explicar esta contradicción, al tiempo que cuestiona el papel del Estado en la provisión de un derecho constitucional para los brasileños.

Palabras clave: Sistema Suplementario de Salud, Sistema Único de Salud, Base de la Pirámide Económica, Modelo de Negocio, Brasil.

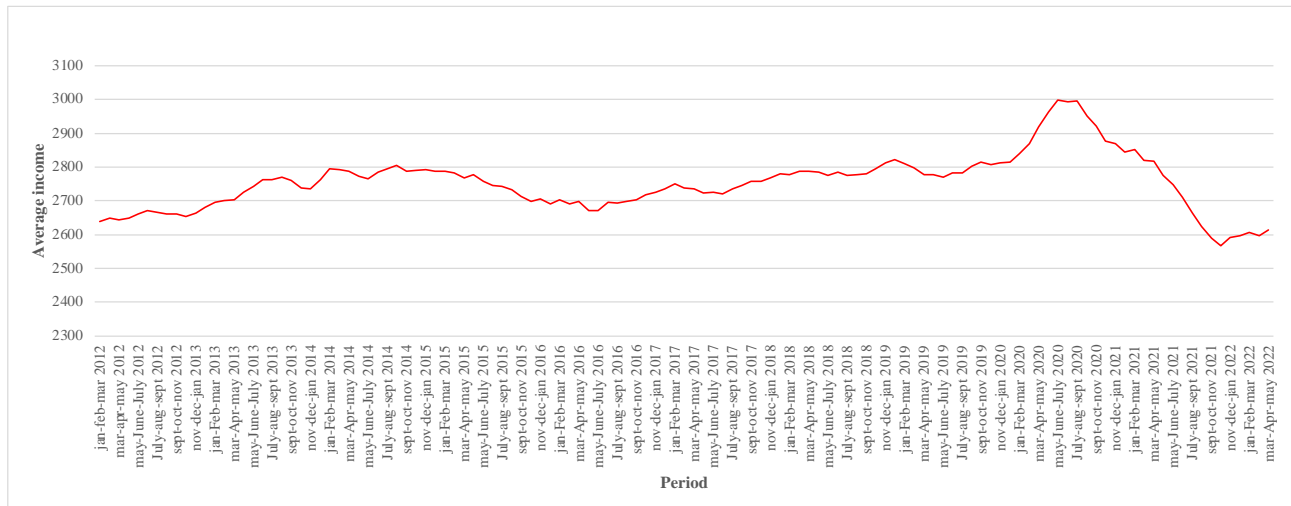
INTRODUCTION

The Brazilian health system is a consequence of a health reform driven by civil society that co-occurred with the democratization process in the country (Cruz et al., 2022). The Brazilian Federal Constitution of 1988 guaranteed the right to health as an attribution of the State. Also, it formalized that the private initiative could participate in the public health system in a supplementary way, under the control of the State. In this way, the Brazilian health system can be divided into three segments: a public segment financed by the State (Unified Health System, SUS), a private segment, and a supplementary health segment, the latter two with public and private funding. The Supplementary Health System (SSS) represents a highly regulated area. Its performance depends on the country's ability to generate employment and income (Cruz et al., 2022) since 69% of contracts with health plans operators for medical assistance are offered as a corporate benefit by companies for their employees, and 18% are financed by the individual and/or family groups (ANS, 2022).

BACKGROUND

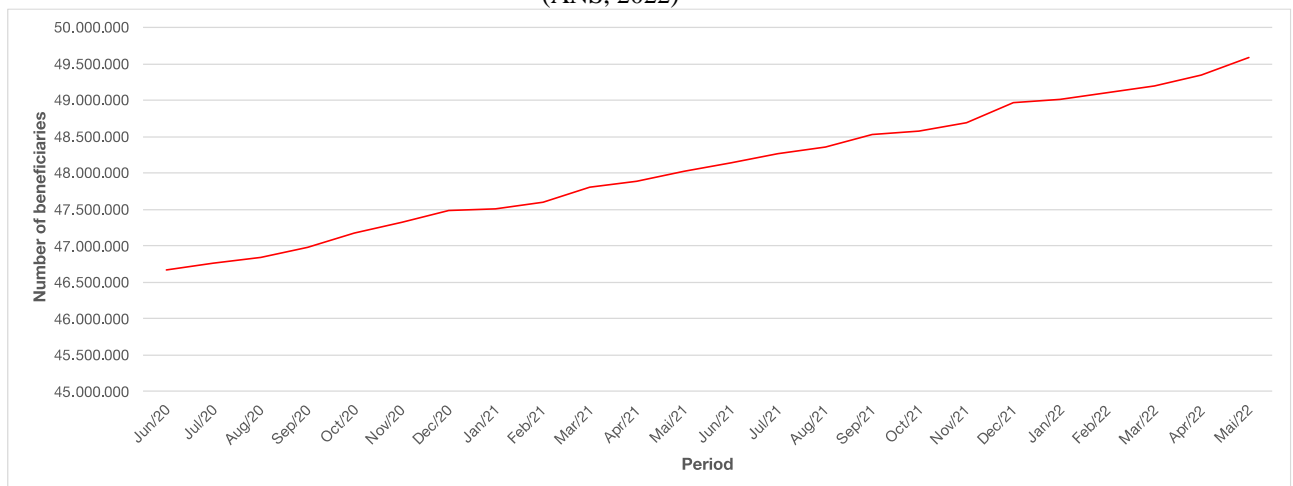
As in other developing countries, the Covid-19 pandemic has opened up social inequalities and disparities in the provision of health services in Brazil. In addition to the substantial scarcity of highly critical health resources (Lobo et al., 2022), the social and economic indicators of the period showed reductions in industrial production followed by job losses and reduced tax revenue (Dweck et al., 2022). The average Brazilian income reduced from R\$2,995 (September/2020) to R\$2,568 (December/2021), the lowest value since the beginning of the 2012 historical series (Figure 1) (IBGE, 2022). The highest historical unemployment rate in the country was reached between the end of 2020 and the beginning of 2021, and despite the trend reduction in the subsequent period, 11.9 million Brazilians were still without formal employment in the first quarter of 2022 (IBGE, 2022).

Figure 1: Average Brazilian income from 2012 to 2022 (IBGE, 2022)



On the other hand, even in the face of the economic crisis that has hit Brazil in recent years and, more sharply, after the Covid-19 pandemic, the SSS ended 2021 with continuous growth in the number of beneficiaries. It reached the record mark of 49.5 million beneficiaries in April 2022 (Figure 2) (ANS, 2022). Despite the Brazilian economy's adversities and volatility, the SSS is expanding. At the same time, traditional business models have been threatened in the face of the socio-economic crisis and related spending cuts. There are at least two justifications for this question.

Figure 2: Number of beneficiaries of the Supplementary Health System (SSS) from June/2020 to Mai/2022 (ANS, 2022)



PUBLIC HEALTH IMPLICATIONS

Historically, having a health plan has been the third consumer desire of Brazilians, after only having their own home and education (IESS, 2022). The chronic underfunding of SUS has

deteriorated the public supply of health in a way that discourages society's demand and induces it to seek in the private market what should be right. For many Brazilians, the SUS is characterized by the inefficient use of resources, the wide variation in the quality of care, and the lack of adequate infrastructure (Dumalanede, Hamza, & Payaud, 2020). The permanent deterioration of the public provision of health services and the increase in the population's satisfaction (IESS, 2022) with the SSS, especially during the pandemic, has constantly pushed for increased demand for private services. In this way, despite the pandemic having reduced income and changed the consumption habits of Brazilians to mitigate or eliminate financially unsustainable expenses, consumers of private health plans had immediate reasons to maintain or purchase the services provided by the SSS.

The second justification is related to the different growth strategies and market positioning of the health plans operators that make up the SSS, contemplating a low-cost business model, economy of scale, cross-subsidy, as well as the effective management of surpluses, and continuous involvement of patients. Given that the products offered by the SSS are standardized and regulated by the National Supplementary Health Agency, the paths for low-cost business models involve limited ways. To be attractive to new beneficiaries and financially sustainable, SSS has to increase operational efficiency and reduce the structure system cost, including the transaction cost between your players. In this sense, there is an intense concentration of the SSS market in Brazil through mergers and acquisitions, with a predominance of vertical integration between health plans operators and health service providers, public trading on the Brazilian stock exchange, and the contribution of foreign capital attracted by the competitiveness of the sector (Cruz et al., 2022).

The thesis of making a profit associated with low-cost business models is not a recent idea. Still, it has attracted attention in the management literature since 1998 with the publication of a seminal work (Prahalad & Lieberthal, 1998) that demonstrated that companies could, at the same time, increase their profits and bring social benefit to low-income people by establishing business models focused on the base of the economic pyramid (BoP). An essential element in the theoretical basis of BoP has been the representation of the “poor” as active participants in globalized markets. They can purchase essential services, are brand-aware, connected, open to advanced technology, and will pay to receive a satisfactory solution for their needs if given concrete reasons to buy the product or service (Bhatnagar & Grover, 2014).

CONCLUSION

The healthcare system in Brazil is complex and combines market elements of public and social interest in a single environment (Cruz et al., 2022). In this way, the question remains whether business models geared to the BoP community have focused exclusively on making a profit by “selling to the poor” or whether they have brought a valuable commitment to social development in the country. This question deserves attention due to the de-prioritization of health on the political agenda in an election year and the critical post-Covid-19 pandemic situation. Social policies in Brazil need to go beyond guaranteeing access to credit compensating for the lack of public provision, at the risk of mortgaging the SUS as a sign of modernity and progress (Lavinas, 2017).

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