

# Israel health system suffers from 'systemic failures', report says

"Fundamental flaws" in the system lead to Israel having acute shortage of hospital beds, higher occupancy rates and gaps in accessibility to treatment, according to Taub Center

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A patient waits for a room in the Sourasky Medical Center Ichilov in Tel Aviv. (Gideon Markowicz/Flash90)

Israel's health system has been subject to systemic failures in planning, budgeting and regulation by the government, resulting in an acute shortage of beds, inefficiencies and gaps in accessibility to treatment, a new report by the Taub Center for Social Policy Studies in Israel said.

The study by Prof. Dov Chernichovsky and Roi Kfir looks at the general hospitalization system in Israel, showing the country lags behind others in the 36-member Organisation for Economic Co-operation and Development (OECD) in hospital beds, has shorter hospitalization rates and particularly high occupancy rates.

In Israel, the number of hospital beds per 1,000 population is 2.2 versus 3.6 in the OECD. While the number of beds per 1,000 population is trending down in most countries, that trend is especially sharp in Israel — 22 percent versus an OECD average of 15% between 2002 and 2017.

The shorter hospitalization time in Israel — about 5 days per patient in contrast to an average of 6.7 days in OECD countries — and the high occupancy rate, about 94% versus an average of 75% in the OECD, diminishes the hospital's ability to handle emergencies and also points to a potentially lower level of treatment quality, the report said.



Illustrative A nurse in a hospital, in Israel, on September 3, 2017. (Hadas Parush/Flash90)

Israel is known globally as the Startup Nation. It has 6,600 startups in its small and connected economy, 14 times the concentration of startups per capita in Europe, and ranks number one globally for R&D expenditure as a percentage of gross domestic product (GDP). The nation is also seeking to become a leader in digital health, leveraging its prowess in software, artificial intelligence and big data to find innovative health solutions for the world.

But if you are in need of hospital care in Israel, you may end up [waiting for days](#) in a ward corridor, or for hours in an emergency room.

These flaws in Israel's healthcare system stem from the systemic failure of the government in planning, budgeting and regulation, due to the fact that the state is both the funder and the regulator of hospitals, even of those it doesn't own, and this is a "fundamental flaw" of the system, said Chernichovsky in a phone interview.

### The healthcare system explained

There are 44 general hospital facilities in Israel, 19 of which are government-owned — where employees are government workers and their budgets are controlled by the state budget, like Tel Aviv's Chaim Sheba and Haifa's Rambam hospitals. Twelve are owned by health funds and then there are independent, nonprofit hospitals — such as Jerusalem's Shaare Zedek Medical Center — those for the public benefit, including [Hadassah Medical Center](#), or those owned by limited companies, like Assuta Ashdod.

The government owns about a quarter of the hospital beds in Israel and about 47% of the acute care hospital beds — not including psychiatric, long-term care and rehabilitation beds. Clalit Health Services, Israel's largest healthcare provider, owns about 30% of the acute care or curative beds.

Israel has a universal health insurance system in place, meaning that the biggest chunk of its health care system is funded through taxes collected from residents, and a very small part is funded by private health insurance.

Thus, all hospitals, both state-owned and other-owned, are dependent on the state for their budgets.

Because the state's obligation to hospitals under the various ownerships has never been defined by the nation's National Health Insurance Law, the state, as both funder and regulator of the system, essentially competes with other hospitals that are dependent on it for their budgets and regulation, the report said.

"Here the state is quite a dishonest player," as it favors its own hospitals over the others, said Chernichovsky. "State hospitals are in a more favorable position because they are more protected if they run a deficit, as the state must then underwrite it."



Prof. Dov Chernichovsky, Chair of the Health Program at the Taub Center For Social Policy Studies in Israel (Courtesy)

### For better treatment, live in the center of the country

People who live in Israel's geographic periphery suffer from the greatest shortage of beds, the report said.

In the northern and southern periphery, the number of beds per 1,000 population is the lowest, 1.32 and 1.55, respectively, while Jerusalem hospitals have the most, 2.36.

In addition, average distances to the nearest hospital for relatively simple medical cases are longest in the country's northern areas, where people need to travel more than 19 km (11.8 miles), followed by communities in the West Bank (more than 18 km) and in the south (about 16 km).

This is relative to much shorter distances in Tel Aviv and Jerusalem of about 3-4 kilometers.



Illustrative photo of a vaccine for infants at an Israeli hospital. (Chen Leopold/Flash90)

This situation in the periphery stems from the "inefficient planning" of any additional hospital beds; hospitals with the already optimal ratio of beds per population sometimes get added beds, while others who need the beds don't get them, the report said.

The Taub researchers stressed that it is important to consider these issues of accessibility and efficiency when making decisions regarding the opening of new hospitals or the expansion of existing facilities.

### More beds 'are inevitable'

In light of the disparities between needs and hospital infrastructure in Israel, particularly in the periphery, the addition of curative hospital beds — that are both efficient and accessible — "is inevitable within the next few years,"

the researchers said.

But, before additional investments in the system are made, the government's involvement in the marketplace should be reduced, the researchers said, and an overall reform is needed.

By just adding more money and more beds without dealing with the basic structural flaws of the system, things will not necessarily improve.



Illustrative: Newborn babies in a hospital ward (Flash 90)

“Conversations with physicians have revealed that they feel additional hospital beds will not significantly change the situation,” Taub Center said in a statement. “What needs to change are hospitalization procedures in order to reduce pressure on the hospitals and waiting times for patients.”

The physicians interviewed for the report recommend a number of steps, including avoiding unnecessary hospitalizations by discharging patients from the emergency rooms; moving physicians to two shifts in some hospital departments, instead of single shifts; and conducting medical tests in the evening hours and weekends, in order to shorten overall hospitalization time. The efficacy of home hospitalization and creating lines of communication between hospital departments and community doctors should also be studied, the physicians interviewed by the researchers said.

“The key conclusion of our report is that there is a tremendous shortage of hospitals, and it will be inevitable to add hospital beds,” said Chernichovsky. “But before doing that much more can be done to improve efficiency and the whole system needs to be reformed.”

The Taub Center for Social Policy Studies in Israel is an independent, non-partisan socioeconomic research institute.

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