

- *Institutos Especializados*, specialty institutes, are clustered in Mexico City and serve as both hospitals and teaching institutes; and
- *Servicios Estatales, Municipales y Universitarios*, medical units which depend on funding through various state and municipal governments, and universities.

### Premium-Based System

The *población derechohabiente*, premium-based system, covers formally-employed Mexicans and their families. It operates one-third of the primary care facilities and 55 percent of the hospitals in the National Health Care System.

- *Instituto Mexicano del Seguro Social (IMSS)*, the Mexican Institute for Social Security, covers the privately-employed population, about 78 percent of the premium-based system;
- *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, the Institute for Security and Social Services for Public Sector Employees;
- *Secretaría de la Defensa Nacional (SDN)*, the Secretariat of National Defence;
- *Secretaría de la Marina (SM)*, the Secretariat of the Marine; and
- *Petróleos Mexicanos (PEMEX)*, the state-owned oil company.

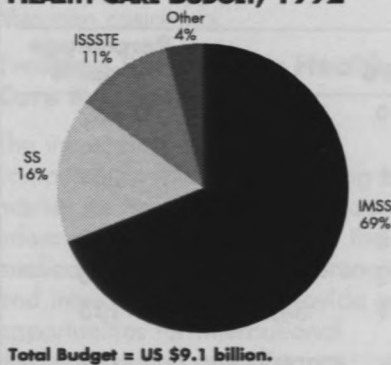
### Private Health Care System

The largest private hospitals are located in Mexico City. There are also important facilities, although fewer of them, in most major cities of Mexico including Monterrey and Guadalajara. Hospitals within the private system operate independently of each other. A few have "branch" hospitals in other locations.

### COMPETITION

There are relatively few Mexican companies that can provide sophisticated support services for the National Health Care System. According to officials at the *Secretaría de Salud*

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(SS), Secretariat of Health, for example, there are fewer than 50 companies in Mexico involved in hospital planning and construction. No more than 20 are considered to have the capability of meeting SS standards. On the other hand, Mexican companies are likely to be very competitive in low-technology services such as hospital laundry.

The United States dominates the market for imported services. In particular, U.S. Health Maintenance Organizations (HMOs) have been moving aggressively into Mexico. Employers and workers usually contribute to an HMO plan that

covers basic health care through a network of clinics and member doctors. Critics say this concept will not work in Mexico because few Mexicans can afford private insurance. Nonetheless, HMOs are targeting niches which do not necessarily depend on private health insurance.

A number of U.S. companies have formed joint ventures with Mexican firms to build hospitals and other health care facilities. Increasingly, these are designed, built and operated on a turn-key basis.

No official data describing trade in services is available, and it is difficult to estimate the Canadian share of this market, but at least one Canadian company has been active in the hospital construction area (see table). In general, the experience of Canadian companies in providing services to public health care systems is a potential competitive advantage.

### HEALTH CARE SUPPORT SERVICES: A NEW AND GROWING OPPORTUNITY

The use of specialized services to support health care delivery is a

### PRIVATE HOSPITAL PROJECTS IN MEXICO (Under construction or in planning stages)

Project	No. of beds	City	State	Company
Centro de la Mujer	30	Torreón	Coahuila	Baylor U.M.C. (U.S.)
Hermosillo	75	Hermosillo	Sonora	Baylor U.M.C. (U.S.)
Chihuahua	55	Chihuahua	Chihuahua	Baylor U.M.C. (U.S.)
Centro Médico Excel	-	Tijuana	Baja California	Alvarado Hospital (U.S.)
H. San Juan Bautista	70	Villahermosa	Tabasco	unknown
Centro Médico de Colima	80	Colima	Colima	HEALTHSERV (Canada)
Hospital Culiacán	75	Culiacán	Sinaloa	unknown
Hospital ABC	150	Mexico City	Distrito Federal	unknown
Scripps Aguascalientes	80	Aguascalientes	Aguascalientes	ScrippsHealth (U.S.)
Sharp Hospital Mazatlán	110	Mazatlán	Sinaloa	SharpHealth (U.S.)
Hospital Providencia	60	Guadalajara	Jalisco	HEALTHSERV (Canada)
Hospital Angel Leano	150	Guadalajara	Jalisco	unknown
Angeles del Pedregal	200	Mexico City	Distrito Federal	unknown

Source: International Medical Associates. *Opportunities for U.S. Participation in the Expansion of the Mexican Health Care System*. Washington, D.C.: U.S. Trade and Development Agency. July 1994, p. 23.

