

**MC<sup>2</sup> SALUD**  
Healthcare Advisors

# **Analysis of the Chilean Healthcare (ISAPRE) Sector**

**Financial Results of the *Open* ISAPREs**

**1er Semester 2020**

Prepared by MC<sup>2</sup> SALUD

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## General Comment

ISAPREs<sup>1</sup> are health insurance carriers that are important players in the Chilean social security healthcare subsystem. Financed (primarily) with employees' 7% payroll deduction, an ISAPRE insurance plan is a substitute for, i.e. not supplementary to, the healthcare covers provided by the State through the public system, known as FONASA<sup>2</sup> the NATIONAL HEALTH FUND and its network of hospitals run by SNSS<sup>3</sup>, and medical centres run by APS<sup>4</sup>. Since 1981, all employees have had the option to elect between joining an ISAPRE or remaining in FONASA. At present there are 3.4 million beneficiaries, i.e. around 18% of the population covered by an ISAPRE.

The ISAPREs and their beneficiaries do not receive fiscal subsidies. On the other hand, approximately 70% of the public system's budgeted expenditure derives from fiscal contributions, which are channelled directly to finance the delivery of services delivered by the state healthcare network.

Under statutory regulation<sup>5</sup> ISAPREs report their audited financial statement (FEFI) by last day of March of each year and the end of the month following the end each calendar quarter. Hence the basis of this report is the published financial results of the 6 "Open"<sup>6</sup> ISAPREs as at 30<sup>th</sup> June 2020.

The Open ISAPREs represent 97.5% of the beneficiaries of the subsystem.

**Source of Financial Information is the Digital Library. Financial Statistics - SUPERINTENDENCIA DE SALUD and can be found at <http://www.supersalud.gob.cl/documentacion/666/w3-article-19254.html>**

MC<sup>2</sup> SALUD is an independent healthcare consultancy and declares that this report has been compiled without any direct connection with the companies to which it relates.

[www.mc2salud.cl](http://www.mc2salud.cl)

[info@mc2salud.cl](mailto:info@mc2salud.cl)

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<sup>1</sup> INSTITUCIÓN DE SALUD PREVISIONAL – a private, for-profit, State-regulated health insurance Carrier established under DFL N°3 of 1981.

<sup>2</sup> FONDO NACIONAL DE SALUD – the central State funding and insurance agency for all non-private healthcare delivery providers.

<sup>3</sup> SISTEMA NACIONAL DE SERVICIOS DE SALUD – National Healthcare Services System comprising the nationwide network of public hospitals.

<sup>4</sup> Atención Primaria de Salud – Primary Healthcare Centres of Treatment - municipal and rural medical centres (CESFAM, SAPUs and CECOFs).

<sup>5</sup> DFLN°1 of 2005 issued by the Ministry of Health

<sup>6</sup> "Open" ISAPREs offer private individuals insurance programs to anyone wishing to join, whereas "Closed" ISAPREs – of which there are 3– are set up by employers and provide cover exclusively to their employees and dependents.

## Analysis of the Situation of the First Semester 2020

2020 is undoubtedly a complex year for the health system as a whole.

Making projections for the year is made difficult by the new requirements that have been added to the ISAPRE system. Perhaps never before has the private healthcare insurance system been subjected to so many changes and most of which have been simultaneous, many of which are as a result of reforms initiated in Parliament or by the Government and others caused by the health crisis that the country (and the rest of the world) is experiencing.

In period under review, the following summarises some of the main administrative measures and legal reforms that are having immediate and long-term effects on ISAPRE healthcare plan design and pricing, as well as on their operating costs:

- a) Important increases in the costs of Medical Licenses due to the impact of Covid-19 – an increase of CLP55,000 million with regards to the same period last year.
- b) Obligation for the Isapres to take charge of the recently created “Preventive parental leave” to attend to rest due to Covid isolation - estimated at \$ 30,000 million by the Association of Isapres (El Mercurio on August 5, 2020).
- c) Postponement of the base price adjustment, according to the Isapres agreement with the Government and the eventual legal modification that could postpone this adjustment until 2022
- d) Loss of 49,151 beneficiaries of the system due to unemployment or loss of job sources from December 2019 to June 2020.
- e) Increases in the number of "*Declaration and Non-Payment*" (DNP)<sup>7</sup> and employer arrears in paying-on employee contributions, with knock-on financial problems.
- f) The possibility of selling plans without delivery coverage is eliminated (as of December 2019).
- g) A single table of Risk Factors is implemented, applicable to all new contracts (since April 2020), establishing an equal rate for men and women. This, in addition, eliminates the price differences for beneficiaries under 2 years of age and establishes that the rate for older adults cannot exceed 4 times the lower rate. The price effect that this may cause to people with lower risk must be considered. Finally, prohibit the sale of plans without maternity coverage.
- h) Flexibility for affiliates to use the accumulated surpluses of their contributions (not only in pharmacies and establishments in agreement) and, even, receive reimbursements from insurers, once a year
- i) It requires the extraordinary early return of the aforementioned surpluses due to the Covid crisis, before September 30, 2020. (CLP55,000 million accumulated from January to June).

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<sup>7</sup> As a means to strengthening the collection process, with reform law N°20.255 in March 2008, employers may formally declare the amounts and census details of PÁYE deductions from employees' wages without the need not make the subsequent transfer payments to the corresponding pension and healthcare agencies, always subject, that is, to the penalties and interest for late payment.

## Analysis of the Chilean Healthcare (ISAPRE) Sector – 1st Semester 2020

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- j) Incorporation of 55 new benefits in the FONASA Tariff (which sets the minimum coverage for Isapres) such as: new benefits for Cancer treatments; chemotherapies; treatments for stroke; occupational therapy; microbiology; telemedicine; among other.
- k) The forced quarantine by the Coronavirus has implied a postponement of health benefits (ambulatory and hospital) between the months of March to June, which will generate a greater demand in the second half of this year estimated at CLP120,000 million by the Isapres Association (El Mercurio on August 5, 2020).
- l) This same situation will imply a deterioration effect on chronic patients who were not treated or diagnosed in time, which will imply higher costs for the Isapres.

To all of the above, must be added the uncertainty of the effects that the various pending announcements of legal reforms will cause, materialized in an unfinished bill, which contemplates, among other matters, the creation of a base plan with a flat rate and the elimination of the declaration of health, which is processed in the Senate, as well as other pending administrative changes.

The health crisis has postponed an important part of the health benefits that should have been provided during the second quarter of the year. This meant a lower operating expense that is detailed later. The profits of this first semester of 2020 increased compared to the same period of 2019, from CLP197 million to CLP18,863 million, because the first semester of that year implied operating losses for almost all open Isapres. (At the end of 2019, it meant an operating loss of CLP16,690 million for these companies). However, if compared with the same period in 2018, a drop of 51.2% is observed, as can be seen in Table 2.

Consequently, it must be taken into consideration that the comparison of 2020 - 2019 is made with a very abnormal year, with high prosecution, high costs and operational losses, as indicated in our report prior to December 31, 2019.

## Analysis of the Chilean Healthcare (ISAPRE) Sector – 1st Semester 2020

### Open ISAPRE System Results

#### 1<sup>st</sup> Semester 2020

The following summarises the results of the Open ISAPRE market, based on the financial statements published by the SUPERINTENDENCY OF HEALTH for the first semester of 2020.

**Table 1- ISAPRES: BANMÉDICA, COLMENA, CONSALUD, CRUZ Blanca, NUEVA MÁSVIDA and VIDA TRES**

Income Statement as of June of each year Open ISAPREs	CLP 000s				Year-on-year Change
	2020	% of total income	2019	% of total income	
Mandatory healthcare contributions (7%)	\$1.085.583.408	71%	\$1.012.755.809	73%	7,2%
AVCs (Additional voluntary contributions)	\$435.147.507	28%	\$372.866.911	27%	10,0%
Other income	\$6.725.231		\$3.448.603		
<b>Total Operating Revenues</b>	<b>\$1.527.456.146</b>	<b>100%</b>	<b>\$1.389.071.323</b>	<b>100%</b>	<b>10,0%</b>
Cost of healthcare claims	\$866.197.192	57%	\$954.769.339	69%	-9,3%
Cost of Sick Pay subsidies ( <i>Licencias Médicas</i> )	\$335.039.884	31%	\$280.705.279	28%	19,4%
Other Operating Costs	\$107.929.158		\$8.389.096		
<b>Total Operating Costs</b>	<b>\$1.309.166.234</b>	<b>86%</b>	<b>\$1.243.863.714</b>	<b>90%</b>	<b>5,2%</b>
<b>Gross Margin</b>	<b>\$218.289.912</b>		<b>\$145.207.609</b>		
Administration and Sales Expenses	(\$205.273.651)	13%	(\$160.478.106)	12%	27,9%
<b>Net Operating Income</b>	<b>\$13.016.261</b>	<b>0,9%</b>	<b>(\$15.270.497)</b>	<b>-1,1%</b>	
Non-operating earnings	\$10.305.046		\$12.955.264		
Financial costs	(\$2.087.614)		(\$2.595.462)		
Other income/expenses	\$4.577.986		\$6.817.967		
<b>Non-operational Income</b>	<b>\$12.795.418</b>	<b>0,8%</b>	<b>\$17.177.769</b>	<b>1,2%</b>	
Profit (Loss) before taxes	\$25.811.679		\$1.907.272		
Taxes	(\$6.948.428)		(\$1.710.242)		
<b>Profit (Loss)</b>	<b>\$18.863.251</b>	<b>1,2%</b>	<b>\$197.030</b>	<b>0,0%</b>	

Source: Summary based on Financial Statements at 30<sup>th</sup> June of each year for the Open ISAPREs

### Operating Income

Operating Income grew by 10% in the period, which represented an additional income of CLP138.3 billion when compared to the first half of 2019. 71% of this income comes from members' mandatory 7% contributions with the balance of 29% deriving from AVCs (additional voluntary contributions)<sup>8</sup>. In the previous period, the legal price represented 72.9%.

### Operating Costs

Operating costs represent the expenses directly related to the settlement of members' healthcare claims under the plan, and b) the cost of paying member salary replacement subsidies as a result of their medically certified leave of absence – *licencias médicas*.<sup>9</sup>

<sup>8</sup> On electing to join one of the six ISAPREs, the member chooses the level (% of reimbursement) and type (HMO, PPO or open to any provider) of cover by selecting one of the plans on offer. Each plan is priced based on the sex, age and number of family members to be covered.

<sup>9</sup> Members are entitled to tax-free payments equal to 100% of daily wages (up to the social security ceiling) as of day 4 for medical certificates of less than 12 days or from day 1 in the case of longer periods of leave of absence.

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- **Total Operating Costs:** Vis-à-vis 2019, the increase in the first half of 2020 amounted to CLP65.302 billion, which is primarily explained by significant increases in the cost of subsidies for *licencias médicas*. But also due to a sharp rise in Other Operating Costs due to new solvency reserves which ISAPREs have since been required to set up to meet the cost of claims to beneficiaries and settlement of provider medical services expenses, in the event of bankruptcy.
  - **Health Costs:** Between the first semester of 2019-2020, these fell by CLP88,572 million, representing a 9.3% reduction in spending and a decrease over the prior period from 68.7% to 56.7% of Operating Revenues
  - **Sick Pay:** The cost of *licencias médica* subsidies grew by CLP54.3 billion, or 19.4% when compared to the previous year, i.e. at almost twice the rate of the growth in Operating Revenues. **Sick pay currently represents around 31% of members' 7% contributions**, compared to 28% in 2019.
- **Claims Rate:** The claims rate is the percentage of Total Operating Revenues that is paid “back” to ISAPRE members. During 2020, the **claims rate was 86%**, compared with 90% in the first semester of 2019.

### Sales and Administrative Expenses (S&A)

For over 20 years the ISAPREs have continually and significantly reduced their administrative expense ratios through greater efficiency and the incorporation of technological innovation, so improving the delivery of their services, compensate for the rising rates of claims, meet the increasing costs of legal prosecution as well as complying with ever more stringent regulatory demands, such as the return of surpluses (“*excedentes*”) of contributions<sup>10</sup>, public service, technical reserves, etc. S&A expenses have fallen from around 20% in the 1990s to 13.4% as at June 2020. Then again, as seen in **Table 2**, the comparable ratio for 2019 was 11.6%. It is estimated that the costs of prosecutions currently account for around 1 percentage point in S&A expenses.

Sales represents around 27% of S&A expenses, due to the retail sales and maintenance processes.

### Results

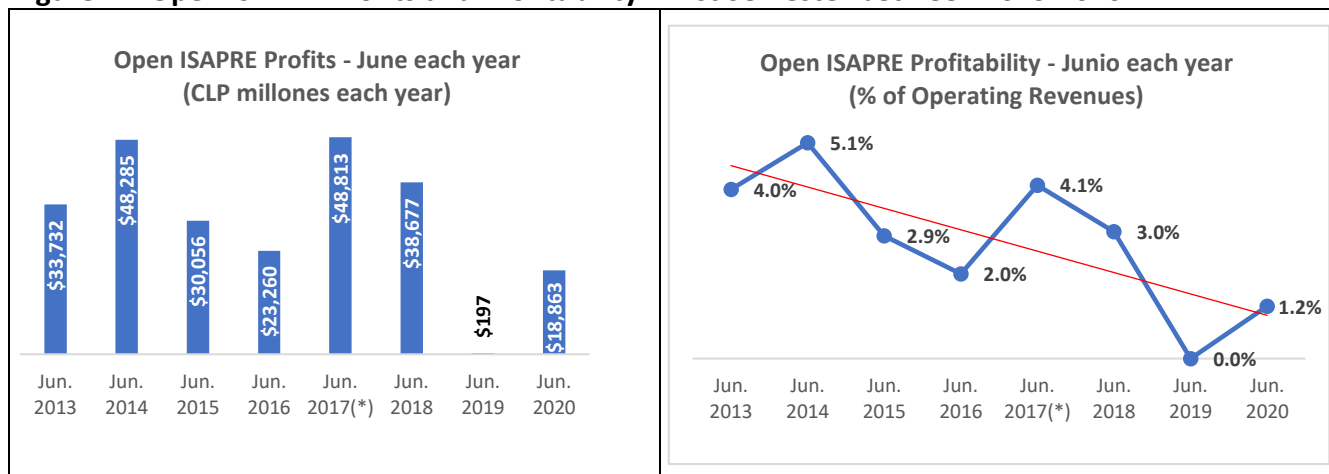
The ISAPREs’ profits have long been a contentious issue in the local press and with the sector that has always resisted the idea of private healthcare providers since the system started. However, over recent years, as can be seen in **Figure 1**, profits have been decreasing over the last six years and the average for the period is now less than 3% of Operating Revenues.

Clearly, profits comprise both **Net Operating Income** (operating costs plus S&A expenses) plus the **Non-Operational Revenues** from financial management, returns generated on mandatory reserve and guarantees, the sale of assets and other financial transactions carried out by the ISAPREs. On average, Non-Operating Profits have represented between 20% to 60% of the profits of the subsystem.

<sup>10</sup> Given that the price of a member’s plan is assessed annually and the fact that many members will adjust their plan to be in line with the level of their 7% contribution, with wage increase in the period, it is common for the 7% to exceed the plan price. Since 2006, the ISAPREs have had to set aside these “excess” premiums and hold them in individual healthcare savings account to be drawn down – at the member’s request – to meet co-payments on claims. With the Covid-19 pandemic many unemployed members have been able to assign these *excedentes* to pay the regular cost their medical plans.

## Analysis of the Chilean Healthcare (ISAPRE) Sector – 1st Semester 2020

**Figure 1 – Open ISAPRE Profits and Profitability in 1st Semester between 2013-2020**



Source: ASOCIACIÓN DE ISAPRES y Financial Statements at 30<sup>th</sup> June each year - (\*) Excluding significant losses of ISAPRE MASVIDA.

- **Profits** for the first half of 2020 amounted to CLP18,9 billion, of which around 50% derive from Non-Operating. By comparison, profit in the first semester of 2019 amounted to only CLP197 million - one of the lowest returns in the history of the ISAPRE system.
  - **Net Operational Revenues:** With this, the system reversed a loss of CLP15,270 million in June 2019 to a surplus of CLP 13,016 million as at June 2020 - see in **Table 1**. Profits generated in this period are primarily due to the 10% increase in revenues relating to adjustments to the price of GES and decreases in health benefits claims. However, this still represents only 0.85% of the ISAPREs Total Operating Revenues.
  - **Non-Operational Income** for the first semester of 2020 decreased from CLP17,177 million in the previous period to CLP12,785 million.
- The **profitability** for this first semester from 0.01% in 2019 to 1.2% in 2020, which leaves the industry in a difficult position to face the second half of this complex year.
- The **Return on Equity (ROE)** of the open ISAPREs was 5% this period compared with 0.1% for last year.

**Table 2 -- Key Indicators (Ratios) for the Open ISAPRE System - 1st Semester 2020 and 2019**

Año	BANMEDICA		COLMENA		CONSALUD		CRUZ BLANCA		NUEVA MÁSVIDA		VIDA TRES		TOTAL ABIERTAS	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Technical Expenses / Operating Revenues	87.3%	91.3%	85.2%	88.4%	85.2%	88.7%	88.8%	89.6%	79.1%	89.7%	82.8%	90.4%	85.7%	89.5%
Sick Pay Expenses / Mandatory 7% Contributions	33.2%	29.5%	30.1%	27.2%	37.9%	33.8%	25.1%	23.3%	34.3%	29.2%	24.0%	21.7%	30.9%	27.7%
Sales & Administration / Operating Revenues	13.5%	11.1%	12.8%	10.7%	14.6%	13.9%	12.3%	11.3%	16.6%	12.7%	11.2%	7.7%	13.4%	11.6%
Profits (Losses) / Operating Revenues	0.9%	0.1%	1.7%	1.2%	1.0%	-1.4%	-1.1%	-0.8%	3.9%	-0.2%	6.1%	3.7%	1.2%	0.0%

Source: ASOCIACIÓN DE ISAPRES y Financial Statements at 30<sup>th</sup> June each year

## Analysis of the Chilean Healthcare (ISAPRE) Sector – 1st Semester 2020

**Table 3 - Financial Statements for the Open ISAPRE System - 1st Semester 2020 and 2019**

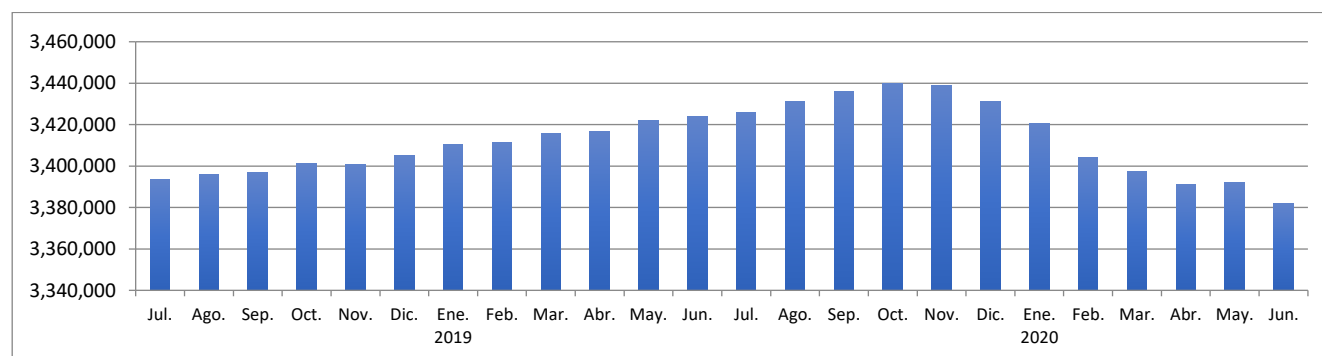
	BANMEDICA			COLMENA			CONSALUD		
	2020	2019	Variación	2020	2019	Variación	2020	2019	Variación
Mandatory Contribution (7%)	200,493,324	182,739,345	10%	228,157,506	209,169,335	9%	200,028,494	182,844,082	9%
Additional Voluntary Contributions (AVCs)	108,166,552	91,675,396	18%	112,482,640	94,307,815	19%	94,098,543	77,846,035	21%
Other Operating Revenues	965,958	885,165		85,250	(42,941)		753,080	637,462	
<b>Total Operating Revenues</b>	<b>309,625,834</b>	<b>275,299,906</b>	<b>12.5%</b>	<b>340,725,396</b>	<b>303,434,209</b>	<b>12.3%</b>	<b>294,880,117</b>	<b>261,327,579</b>	<b>12.8%</b>
Healthcare claims expenses	172,021,846	196,578,183	-12%	187,122,783	207,678,712	-10%	168,437,620	170,299,009	-1%
Sick Pay claims expenses	66,494,560	53,925,903	23%	68,733,697	56,854,503	21%	75,711,237	61,790,459	23%
Other Operating Expenses	31,639,126	871,964		34,582,367	3,576,776		7,183,849	(390,937)	
<b>Total Operating Expenses</b>	<b>270,155,532</b>	<b>251,376,050</b>		<b>290,438,847</b>	<b>268,109,991</b>		<b>251,332,706</b>	<b>231,698,531</b>	
<b>Gross Margin</b>	<b>39,470,302</b>	<b>23,923,856</b>	<b>65%</b>	<b>50,286,549</b>	<b>35,324,218</b>	<b>42%</b>	<b>43,547,411</b>	<b>29,629,048</b>	<b>47%</b>
Sales and Administration Expenses (S&AE)	(41,742,417)	(30,654,746)	36%	(43,630,297)	(32,411,881)	35%	(42,928,473)	(36,220,510)	19%
<b>Net Operational Revenues</b>	<b>(2,272,115)</b>	<b>(6,730,890)</b>	<b>-66%</b>	<b>6,656,252</b>	<b>2,912,337</b>	<b>129%</b>	<b>618,938</b>	<b>(6,591,462)</b>	<b>-109%</b>
Non-operational Revenues	6,234,262	7,076,184	-12%	781,099	1,810,194	-57%	3,609,331	3,837,091	-6%
<b>Profit (Loss) Before Taxes</b>	<b>3,962,147</b>	<b>345,294</b>		<b>7,437,351</b>	<b>4,722,531</b>		<b>4,228,269</b>	<b>(2,754,371)</b>	
Taxes	(1,032,769)	(57,884)	1684%	(1,797,853)	(1,047,117)	72%	(1,337,728)	(1,004,363)	33%
<b>After Tax Profits (Losses)</b>	<b>2,929,378</b>	<b>287,410</b>		<b>5,639,498</b>	<b>3,675,414</b>		<b>2,890,541</b>	<b>(3,758,734)</b>	

	CRUZ BLANCA			N. MÁSVIDA			VIDA TRES		
	2020	2019	Variación	2020	2019	Variación	2020	2019	Variación
Mandatory Contribution (7%)	302,426,469	278,952,382	8%	107,632,242	115,962,288	-7%	46,845,373	43,088,377	9%
Additional Voluntary Contributions (AVCs)	42,723,162	41,170,544	4%	34,739,820	29,066,898	20%	42,936,790	38,800,223	11%
Other Operating Revenues	262,103	253,051		4,143,800	1,238,843		515,040	477,023	
<b>Total Operating Revenues</b>	<b>345,411,734</b>	<b>320,375,977</b>	<b>7.8%</b>	<b>146,515,862</b>	<b>146,268,029</b>	<b>0.2%</b>	<b>90,297,203</b>	<b>82,365,623</b>	<b>9.6%</b>
Healthcare claims expenses	204,638,359	220,506,290	-7%	75,740,097	95,395,222	-21%	58,236,487	64,311,923	-9%
Sick Pay claims expenses	75,952,095	64,949,608	17%	36,915,411	33,831,614	9%	11,232,884	9,353,192	20%
Other Operating Expenses	26,058,621	1,547,479		3,210,523	2,015,915		5,254,672	767,899	
<b>Total Operating Expenses</b>	<b>306,649,075</b>	<b>287,003,377</b>		<b>115,866,031</b>	<b>131,242,751</b>		<b>74,724,043</b>	<b>74,433,014</b>	
<b>Gross Margin</b>	<b>38,762,659</b>	<b>33,372,600</b>	<b>16%</b>	<b>30,649,831</b>	<b>15,025,278</b>	<b>104%</b>	<b>15,573,160</b>	<b>7,932,609</b>	<b>96%</b>
Sales and Administration Expenses (S&AE)	(42,556,515)	(36,242,920)	17%	(24,298,734)	(18,621,064)	30%	(10,117,215)	(6,326,985)	60%
<b>Net Operational Revenues</b>	<b>(3,793,856)</b>	<b>(2,870,320)</b>	<b>32%</b>	<b>6,351,097</b>	<b>(3,595,786)</b>	<b>-277%</b>	<b>5,455,945</b>	<b>1,605,624</b>	<b>240%</b>
Non-operational Revenues	(1,382,252)	(1,059,766)	30%	1,588,745	3,032,454	-48%	1,964,233	2,481,612	-21%
<b>Profit (Loss) Before Taxes</b>	<b>(5,176,108)</b>	<b>(3,930,086)</b>		<b>7,939,842</b>	<b>(563,332)</b>		<b>7,420,178</b>	<b>4,087,236</b>	
Taxes	1,314,665	1,261,939	4%	(2,179,840)	213,379	-1122%	(1,914,903)	(1,076,196)	78%
<b>After Tax Profits (Losses)</b>	<b>(3,861,443)</b>	<b>(2,668,147)</b>		<b>5,760,002</b>	<b>(349,953)</b>		<b>5,505,275</b>	<b>3,011,040</b>	

Source: ASOCIACIÓN DE ISAPRES y Financial Statements at 30<sup>th</sup> June each year

**Figure 2 – Evolution of the Number of Open ISAPRE Beneficiaries – July 2018 to June 2020**



Source: ASOCIACIÓN DE ISAPRES

## Conclusions

### The Impact of Covid-19

The first semester of 2020 presented important challenges for the ISAPRES due to the multiple regulatory changes and the difficulties imposed by the Covid-19 crisis. Similarly, the increase in sick pay subsidies has been significant, since in just two and a half months (from mid-March to end of June) spending on *licencias médicas* increased by almost 20% when compared to the same period last year. Thus, in this semester 30.9% of the mandatory 7% contribution was used to finance this benefit.



## Analysis of the Chilean Healthcare (ISAPRE) Sector – 1st Semester 2020

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The crisis in October 2019 and the subsequent effect of the Covid-19 pandemic has had a profound impact on rates of employment – over 1.5 million people have lost their jobs in the formal sector - and, consequently, this has also been felt in number of members making regular contributions to their ISAPREs. Thus, for the foreseeable future, in so far as the economy and general employment do not recover, the ISAPREs will not get back to the growth they had been experiencing until October 2019.

As is to be expected with the general lock-down and aversion to visiting medical centres, outpatient and hospital care suffered a significant drop, with spending in the ISAPRE sector falling some 9.3%, due to postponement of consultations, exams and procedures over the 3.5-month-period from mid-March to the end of June. However, once restrictions are lifted, the pent-up demand will return with greater force. Pre-Covid-19, during the first half of March – following the summer holidays - there was the “normal” sharp rise in medical benefits which were promptly curtailed by the health crisis. Indeed, many non-urgent in-patient procedures and surgeries have been postponed or rescheduled due to the lock-down provisions imposed by the health authorities, so giving preference to patients affected by the pandemic or due to the general fear of going to healthcare facilities. All this has temporarily alleviated the serious problems that this crisis might have presented for the ISAPREs.

However, as has already been appreciated in Europe, the release from lockdown has highlighted new health system crises of demand for treatment that were not carried out in a timely manner. The ASOCIACIÓN DE ISAPRES has estimated pent-up demand at CLP200 billion in additional spending, which will likely impact the second half of this year for postponed medical benefits and preventive sick pay subsidies. Then there is the additional costs of the decision of the ISAPREs to postpone the price adjustments to the health plans, the cost of which has yet to be quantified and is not included in the previous figure given that the regulations on how this process is to be handled have yet to be published.

Despite all the difficulties, the ISAPREs have made every effort to show their willingness and ability to collaborate in this health crisis together with their network of providers, with concrete actions, such as: postponement of plan readjustments; unemployment insurance; zero co-pay for Covid-19 tests; special catastrophic coverage for Covid-19; and special discounts at pharmacies, as well as assistance and coordination directly with the health authorities, such as the coordination and support in receiving and transferring patients in private clinics and centres.

Finally, the Covid-19 crisis will have a substantial impact on the future model of care. Telemedicine and Teleconsultation technologies which have come into their own, will likely continue and continue developing in the future in an important way, as they constitute clearly provide a tool to deliver specialized medicine in places where hitherto they have been unavailable. However, a model that facilitates the delivery of medical services clearly requires a more efficient system than the simple payment per benefit, which has proven inflationary – stimulating the benefit per se. For this reason, third-party payers (ISAPREs, FONASA and supplementary insurance carriers) would be advised to take into consideration that there is an urgent need to move beyond the *Fee for Service* model and find methods that encourage the enhancement of value in any healthcare cost.