

Summary

The use of information technologies in Czech healthcare is fragmented. Though most healthcare facilities are already equipped with computers connected to the internet, they lack a “medium” to share patient information among the different doctors and departments. Although everyone agrees on the fact that better integration and information sharing among doctors using IT could lead to cost savings and efficient, it has proven difficult to introduce a common platform to health facilities and professionals. This situation could offer opportunities for U.S. companies active in healthcare IT, although a number of barriers may impede market penetration.



Market Demand

Health information technology is a newly emerging sector in the Czech Republic. The first steps towards wider use of information technologies in Czech healthcare resulted from the need of healthcare providers to communicate data to health insurance companies. Although, there is a general agreement among the players in the healthcare market that eHealth can provide opportunities for savings and higher effectiveness in the system, there is still a number of obstacles ranging from higher introduction costs of these technologies to legal constraints. As an example, a law valid in the Czech Republic since 1966 still requires all healthcare documentation to be maintained in a paper form. Until this law is changed, the potential for time savings offered by IT technologies in healthcare will not be fully realized.

In 2009, the European Commission released its Europe-wide research of electronic services utilized in healthcare. The results show that 87% of European general practitioners (GPs) use computers, with only 48% having a fast connection to the internet. In the Czech Republic, there is no similar current research available. The latest information is from 2007 when the research focused on the use of computers in GPs' offices. This research demonstrated that a computer is available in 95% of medical offices, but only two thirds of them had an internet connection.

The European Union has closely monitored developments of eHealth in its member states. There is also financial support targeted to healthcare initiatives that is available through EU funds. The Czech Republic has access up to 20 billion Czech crowns (approximately \$1 billion) from EU funds for modernization projects in its healthcare sector by 2013. It is expected that a large part of this sum will be directed to introducing e-projects in healthcare.

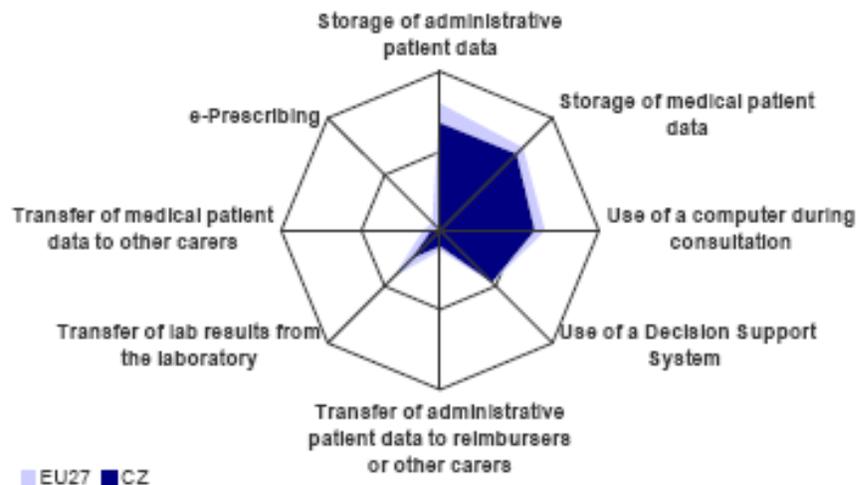
The Ministry of Health has also worked on several eHealth projects and the new government has placed even more focus on these projects, expecting an introduction of electronic prescriptions in 2012. This should be followed by electronic sick leave notices. Further projects, especially in the eLearning area, are in the pipeline.

Market Data

The Czech Republic, like many other European countries, faces a healthcare dilemma on how to maintain quality service as an aging population demands a greater amount of care. Healthcare costs have grown steadily, propelled by the introduction of new technologies. eHealth represents an opportunity to increase effectiveness, which would lead to cost savings as well as faster treatment. In the Czech Republic, healthcare reform is a critical topic for the new government, and eHealth can be a useful tool in this regard. The faster introduction of eHealth should be supported by a conceptual approach of the government, as well as through the introduction of eHealth training as a part of the education curriculum for students at medical schools.

Challenges in eHealth area represent a long term absence of eHealth policy vision, a relatively low level of IT awareness among healthcare professionals, a low level of communication among healthcare professionals and in healthcare in general, and a limited push for eHealth from public and patient organizations.

eHealth Use by GPs in the Czech Republic



Indicators: Compound indicators of eHealth use (cf. annex for more information), % values. **Source:** empirica, Pilot on eHealth Indicators, 2007.

Electronic Patient Data Storage

Healthcare professionals in the Czech Republic tend to store at least some of their patient data electronically. In the case of GPs, this applies to almost 75% of offices. Information regarding general diagnoses seems to be stored more often than images (e.g. x-rays, CTs). Picture Archiving and Communication Systems (PACS) is an effective tool to introduce healthcare savings and most of the devices available today offer the opportunity to save images in digital form. The use of this tool, however, is still lower than in Western Europe. Although most university hospitals already work with this system, the use of PACS with GPs is very limited.

Electronic Exchange of Patient Data Via Internet or Other Dedicated Networks

Regarding the exchange of electronic data, much more needs to be done since use remains very low (though this can be said of most of the EU). In the case of GPs, most of the existing communication in this area focuses on receipt of analytical results from laboratories. Telemonitoring or the exchange of patient data over borders are projects for the future.

ePrescription

There is almost no ePrescription practice in the Czech Republic as of now. However, the Ministry of Health has set a 2012 date for the introduction of ePrescription in the country.

Online Communication with Doctors

In the Czech Republic, patients consult and discuss individual health problems mainly in person. Often, patients would also call the doctor's office to learn the results of the tests or get some further information. Online consultations with doctors are, so far, quite rare in the Czech Republic. For example, prescription renewal is not even possible via e-mail; all patients must visit their doctor in order to get a prescription renewal. Some healthcare providers offer online appointment scheduling, though it is not a common practice yet and is found mostly in the cities.

Other Areas:

Electronic Health Card: One of the most interesting projects in the Czech market is undoubtedly the IZIP company electronic health card. IZIP - internet access to patient healthcare information - is a database of healthcare information on the internet. IZIP introduced its card at the beginning of this decade and currently has over one million registered users and over 10,000 health professionals eligible to input data in a patient's IZIP medical file.

eHealth for Healthcare Management: The main focus area for management at this moment are electronic tools for hospital rankings and evaluations and use of EBM (evidence based medicine) in synergy with electronic databases for effective drug ordering.

eLearning in Healthcare: The concept of eLearning is slowly penetrating the Czech market. Its penetration in health care is so far very limited. Reasons include a low level of awareness of the technologies and opportunities in this area, as well as a reserved attitude to the eLearning concept in general. However, even in these areas there are new projects, such as the Academy for Healthcare Management's introduction of MBA program module focused on HC IT (AHCM cooperates on this program with U.S. Stevens Institute from New Jersey, where students will also be able to take advantage of a one day eLearning program.)

In November 2010, a new eHealth project was also piloted by Spanish phone operator O2. O2 plans to provide seniors (so far only in the pilot region of Prague 10) with phones with a special emergency button. O2 operators will respond to clients' emergency calls, assisting clients in emergency situations.

Best Prospects

Best prospects for U.S. suppliers include areas of telemedicine (teleconsultations, telecare, etc.), regional medical cooperation projects, and remote patient monitoring. There are barriers that hamper the introduction of telemedicine, however, such as high startup costs and the lack of reimbursement. Home healthcare that uses mobile phones and small electronic devices may therefore be developed prior to traditional telemedicine technologies.

A unique project is planned at the International Clinical Research Center (ICRC) Brno at St. Ann's faculty hospital, which plans to build "a virtual hospital" that will educate doctors from the Czech Republic and abroad. This education center will use the experience of the U.S.

Mayo Clinic that already operates a similar facility allowing students, as well as healthcare professionals, to practice their skills on cutting edge simulation technologies including "robot patients". The cost of the project, which should be finished in three years, is estimated at 700 million Czech crowns (\$35 million).



Key Suppliers

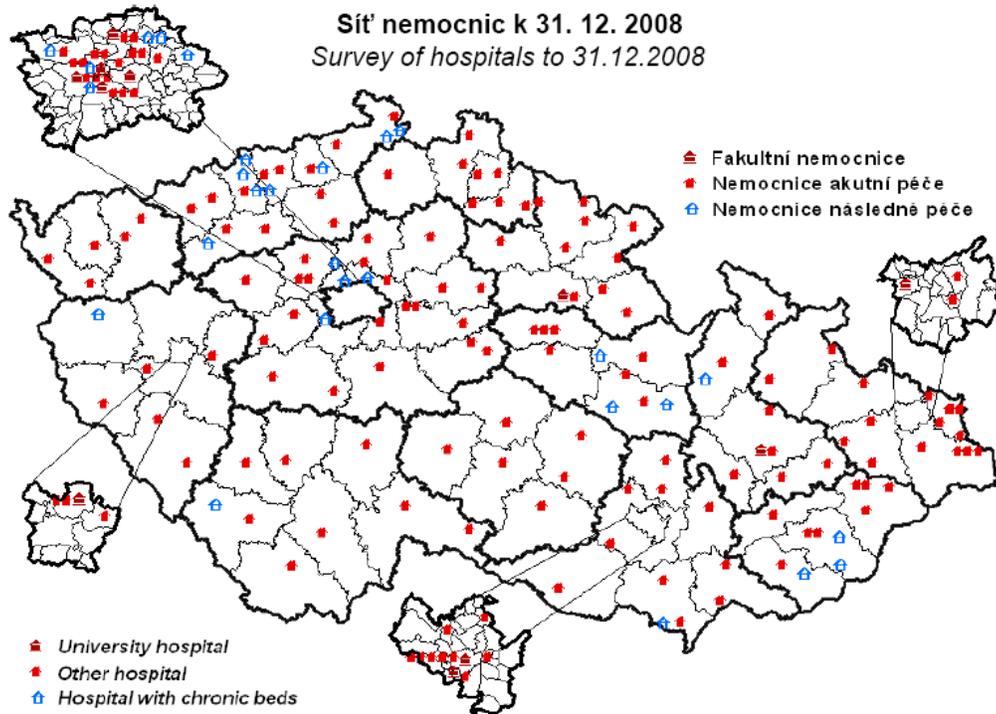
There were about forty distributors of healthcare software – often having hardware in their offer as well - in the Czech market when IT was introduced in Czech healthcare. In recent years this number has decreased to approximately thirty. However, most of the firms are specialized in only a couple areas. The main healthcare software applications in the Czech Republic include hospital information systems, laboratory information systems, software for monitoring, pharmacies, ambulances, dentists and spas.

Prospective Buyers

There is a wide range of prospective buyers, including hospitals, private clinics, doctors and dentists, pharmacies, insurance companies, the Ministry of Health and other institutions.

There are 27,769 health establishments registered in the Czech Republic, of that almost 19,700 independent physician's offices. There were only 247 state establishments (founded by Ministry of Health or other central organs) and 27,522 non-state establishments (161 founded by regions, 183 by city or municipality and 27,178 by physical person or other legal body).

ZDRAVOTNICKÁ ROČENKA ČR 2008 / CZECH HEALTH STATISTICS 2008



Source: Czech Healthcare Statistics 2008

Market Entry

A recommended strategy for a U.S. company interested in penetrating the Czech market would be to find a local partner/representative or open an office in the country. Without a local representative who can support everyday contact with customers and government representatives, it is very difficult to succeed in the market. Although products may be manufactured in accordance with international standards, it may still be necessary to localize them for use in the Czech Republic. It is also necessary for companies to

understand the Czech medical insurance and reimbursement systems when developing IT systems for this market. A U.S. company can stimulate further sales by working with Czech partners on effective marketing campaigns, as well as by utilizing trade shows, in-country promotions, and advertising. The U.S. Commercial Service offers a number of ways to help U.S. companies find business partners in the Czech market. These include setting up meetings with Czech companies interested in partnership, government officials and associations representatives (Gold Key Service), due diligence on prospective partners (International Company Profile) and events to introduce new product lines to potential customers (Single Company Promotion). More information and contacts can be found at <http://www.buyusa.gov/czechrepublic/en/>

Market Issues & Obstacles

The Czech Republic is a highly developed, open market with liberal policies and intense competition. While imports from the EU are exempt, products from non-EU countries are subject to import duties. Customs duty rates are updated annually and are harmonized within EU countries. In addition, all goods, imported or produced domestically are subject to a value-added-tax (VAT). The value added tax rate for IT products is 20 percent.

Czech is the official language in the Czech Republic. More than half of Czech company representatives are able to communicate in English or in German as well. However, U.S. supplier of eHealth products and solutions that are interested in entering the market must make sure that their products are localized. Although some of the materials and software is allowed to be in English, instructions for use and other important data must be in the Czech language. Moreover, Czech language software, manuals, and training materials allow for better success of the product in the Czech market. Installation, operation and maintenance as well as after sales service require a local presence or well established distribution partner.

Trade Events

Pragomedica, Prague

April 19 – 21, 2011; www.incheba.cz

Pragomedica is a trade fair with over three decades of experience, and has been more recently collocated with the [Non-Handicap Fair](#). While Pragomedica focuses on general medical equipment, NonHandicap is a specialized fair of equipment for people with disabilities. Both fairs are accompanied by seminars and presentations of the newest technologies available in the Czech market. There are over 350 exhibitors. Although there some international exhibitors and attendees, Pragomedica and Non-Handicap are mainly local fairs with an audience of Czech medical and laboratory professionals, therapists, teachers and lecturers, social workers, students and others.

Medical Fair Brno

October 25-27, 2011; www.bvv.cz

[Medical Fair Brno Central Europe](#), the third largest fair in Europe, is associated with the MEDICA Group chain (the trade fair company Messe Düsseldorf). It is one of the important specialist fairs for medical technology and equipment for hospitals, healthcare centers and subsequent rehabilitation, including prosthetics. The REHAPROTEX segment presents a broad assortment of compensation, prosthetic, orthopedic and rehabilitation equipment. Over 400 exhibitors from 26 countries present their products during the fair. Each year, the fair attracts over 30,000 visitors, mainly from the Czech Republic. During this year's fair, organizers used the "Day of Hospitals" to raise issues related to e-Health as a means to "help reveal system reserves and prevent source wasting", and seminars attracted 230 representatives of hospitals, health-insurance companies, healthcare centers and also various groups of providers of healthcare.

Resources & Key Contacts

American Chamber of Commerce, www.amcham.cz
Czech National Forum for eHealth, www.ehealthforum.cz
General Directorate of Customs, www.cs.mfcr.cz
Infomed, www.infomed.cz (an independent server with healthcare information)
MEDTEL, www.medtel.cz
Ministry of Health, www.mzcr.cz

For More Information

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