Embracing and Disentangling from Private Finance: The Irish System

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Ireland and the Irish Health System

- Ireland, small democratic republic, 4.75 million
- No universal healthcare, no legal entitlement to health and social care
- Largely tax funded
- High supplementary private health insurance cover (45%)
- Embedded two-tier system
Ireland and Solidarity Funding in EU 28 (OECD 2017)
Components of total health expenditure 2004-2013 (WHO)

- General government expenditure on health
- Private insurance
- Out of pocket expenditure
- Corporations
Why private insurance?

**Figure 3.2:** Common (main) reasons for having private health insurance cover 2009, 2011 and 2013.

Source: HIA (2010c), HIA (2012), and HIA (2014f).
Nos of adults waiting for IP and day-case hospital treatment (2008-2017)
In one case a consultant RTÉ Investigates observed for eight weeks was working less than 13 hours per week on average in the public system.
Recent History of Private Health Insurance

2000s - Oligopolistic market

Risk equalisation scheme

- Proposed 2005 (declared unconstitutional by courts)
- Interim measure 2009
- Full RE scheme in 2013

Failure of Recent UPHI

- Neo-Dutch model

Lifetime Community Rating

- Penalties for those enrolling 35 and over
Recent History of Austerity

- GNI: -9% in 2009
- Unemployment: 4.6% to 14.7%, from 2007-2012
- Debt to GDP ratio: 25% to 124% from 2006 to 2014
- Public Healthcare budget: Finances €2.7bn from 2009 to 2014 (−17%)

“I don’t think anybody’s ever undertaken what we’ve undertaken... ...It’s surprising that we’ve survived the experiment.” (Government policy maker)
Cost shifting from State to people 2008-14
Private healthcare payments, 2009-10 & 2015-16

- **Household Budget Survey 2009-10 & 2015-16**
  - Central Statistics Office

- **Private health expenditure**
  - Out-of-pocket payments
  - Social care: home help, nursing home fees
  - Private health insurance

- **Policy changes during this period**
  - Drug charges; lifetime community rating; in-patient fees
  - 9.2% increase between 2009 & 2015
2016: Decision to set up an all party committee on health reform

- General election March 2016, delivered minority government
- New minister, May 2016 – Simon Harris
- New Programme for Government
  - request an Oireachtas (Parliamentary) All-Party committee to develop a single long term vision plan for healthcare over a 10 year period... Key to the long-term sustainability of our health service and Universal Healthcare...is the development of a new funding model for the health service.
Committee on the Future of Healthcare – Sláintecare
A ten year plan for health reform devised through political consensus

1. Entitlement
   - Legislate for entitlement & wait times
   - Eliminate or reduce charges

2. Integrated care
   - Primary and Community Care
   - eHealth, expanded integrated workforce

3. Funding
   - Bolstered Beveridge (+ ring-fenced) - better than UK
   - Transition fund, Private Care out of Public Hospitals

4. Implementation
   - Office to drive reform
Disentangling private from public

• Changing Financial incentives
  i. fee for service for doctors for private activity in public hospitals
  ii. private insurance payment to public hospitals,

• Resolving Access problems
  iv. Waiting times some of the longest in Europe (targets 15-18 months)
  v. Hospitals overburdened – ED entry, insufficient primary and community care

• Shifting Public perceptions
  vi. Fear (quality, access, cost)
How are we going to do this?

- Changing contracts
- Creating accountability and authority in system
- Replacing private funding
- Taking on vested interests
Thank You

https://www.tcd.ie/medicine/health_policy_management/research/current/health_systems_research/