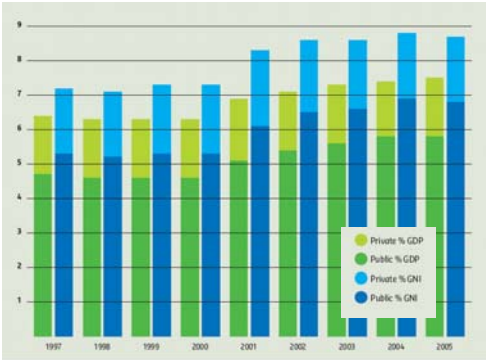
The Irish Health Care System

Aisling Kennedy

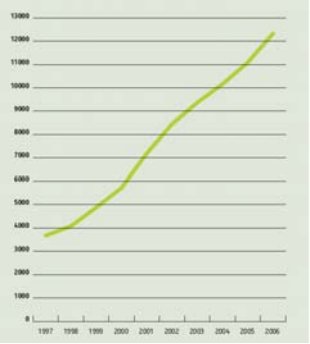
15 May 2008

"If I were you, I wouldn't start from here"

Health care spending

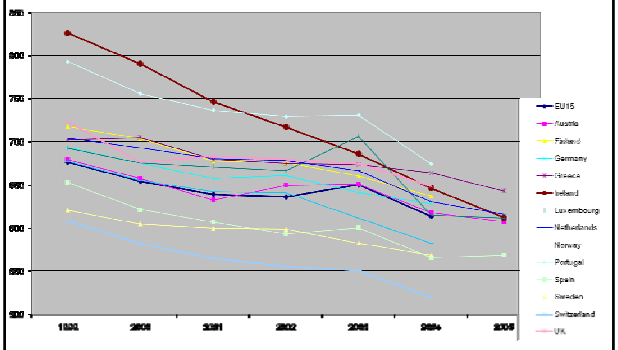


Public health care spending (€bn)

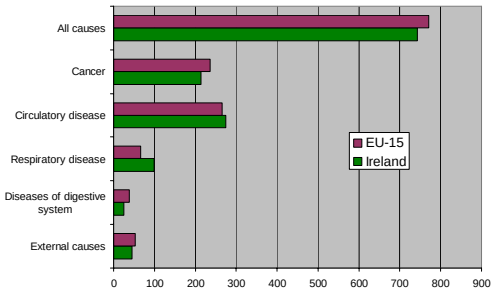


Performance metrics

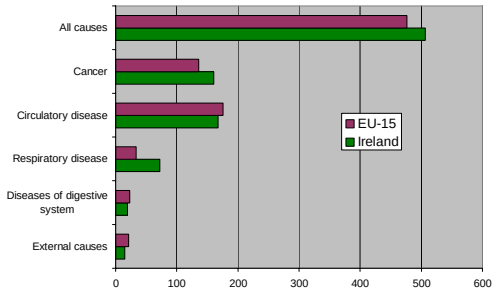
European Age-Standardised Mortality Rates



Age-standardised death rates by cause - Men

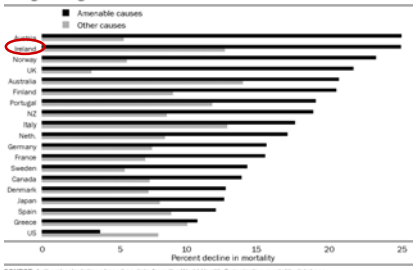


Age-standardised death rates by cause - Women



"Avoidable mortality"

EXHIBIT 3
Percentage Decline In Mortality From Amenable Causes And Other Causes Of Death Among Males Ages 0–74 In Nineteen Countries From 1997–98 To 2002–03



SOURCE: Authors' calculations based on data from the World Health Organization mortality database.
NOTE: Denmark: 2000–02; Sweden: 2001–02; Italy, US: 2002.

Ellen Nolte and C. Martin McKee,
Measuring The Health Of Nations: Updating An Earlier Analysis,
Health Affairs, Vol 27, Issue 1, 58-71

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“Avoidable mortality”

EXHIBIT 4
Percentage Decline In Mortality From Amenable Causes And Other Causes Of Death Among Females Ages 0–74 In Nineteen Countries From 1997–98 To 2002–03

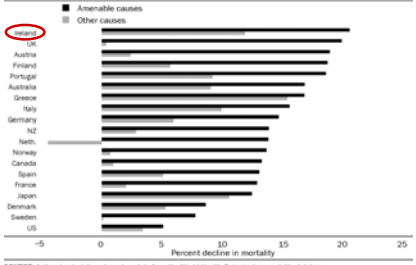

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EXHIBIT 5
Comparison Of Rankings Based On Age-Standardized Death Rates (SDRs) Per 100,000 From Amenable Mortality (Both Sexes Combined) In Nineteen Organization For Economic Cooperation And Development (OECD) Countries, 1997–98 And 2002–03

Rank, 1997–98	Country	Amenable mortality (SDR, ages 0–74) 1997–98	2002–03	Rank, 2002–03	Change in rank
1	France	75.62	64.79	1	–
2	Japan	81.42	71.17	2	–
3	Spain	84.26	73.83	4	−1
4	Australia	87.95	71.32	3	+1
5	Sweden	88.44	82.09	9	−4
6	Italy	88.77	74.00	5	+1
7	Canada	88.88	76.83	6	+1
8	Netherlands	96.89	81.86	8	–
9	Greece	97.27	84.31	10	−1
10	Norway	98.64	79.79	7	+3
11	Germany	106.18	90.13	12	−1
12	Austria	108.92	84.48	11	+1
13	Denmark	113.01	100.84	15	−2
14	New Zealand	114.54	95.57	14	–
15	United States	114.74	109.65	19	−4
16	Finland	116.22	93.34	13	+3
17	Portugal	128.39	104.31	18	−1
18	United Kingdom	129.96	102.81	16	+2
19	Ireland	134.36	103.42	17	+2

SOURCE: Authors' calculations based on data from the World Health Organization mortality database.
NOTES: Denmark: 2000–01; Sweden 2001–02; Italy, U.S.: 2002. SDR is standardized death rate.

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Structure

Structure

- Unique three tier health system:
  - Medical card holders (means-tested and recently all persons over age 70)
  - Privately insured (now over 50% of population)
  - Those in the middle

Structure

	Medical card holders	**Others without private insurance**	**Privately insured**
GPs	Free of charge	Paid out-of-pocket	Paid out-of-pocket; insured above per policy excess.
Prescription drugs	Free of charge	Paid out-of-pocket; State pays excess above €85 per family per month	Paid out-of-pocket; State pays excess above €85 per family per month
Out-patient treatment	Public care free of charge	Public care free of charge	Private care paid out-of-pocket
In-patient and day-patient treatment	Public care free of charge	Free except for a per diem charge of €55, max. €550 per year	Fully insured

Medical cards

- GPs paid on a capitation basis for medical card holders
- Special capitation rate for people over age 70 with medical card on grounds of age alone: €495 per annum (2006)
- Versus €109 - €190 for over 70s on low incomes!!

Hospital care

- Public hospitals have “designated public beds” and “designated private beds”
- Private care also delivered in private hospitals
- Public hospital care is “consultant-led”; private hospital care is “consultant-provided”
- Consultants:
  - are paid a salary for treating public patients and fee-for-service for treating private patients
  - often treat both public and private patients in the same public hospital and also treat patients in private hospitals

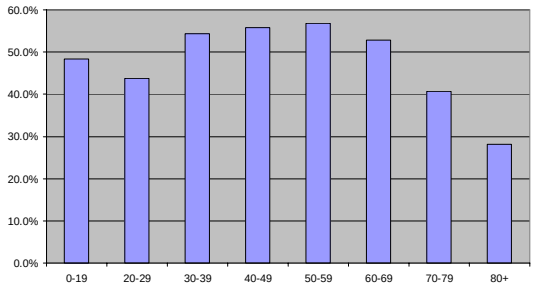
Hospital care

- There are substantial waiting times for public hospital care; timely access is the No. 1 reason for purchasing private insurance
- In October 2007, there were:
  - 15,194 adults awaiting surgical procedures
    - 30% 6 – 12 months
    - 43% 3 – 6 months
    - 27% 12 months plus
  - 5,043 adults awaiting medical admission
    - 43% 3 – 6 months
    - 32% 6 – 12 months
    - 25% over 12 months

Structure

- National Treatment Purchase Fund
  - established in 2002
  - purchases care for public patients who have been waiting longer than three months for surgical procedures
- An early study found that one third of operations paid for by the NTPF were carried out in the same public hospital from which the case had been referred
- Since 2005, no more than 10% of NTPF work can take place in public hospitals
- But still circularity!

% of population with private health insurance



Public subsidy of private health care

- Tax relief on private health insurance premiums
- Designated private beds in public hospitals charged at less than full economic cost
- Consultant remuneration
- Tax subsidies for private hospital developments

Bed capacity

- Concerns about overall bed capacity
- Proposals for “co-located” private hospitals on public hospital campuses

Efficiency of hospital care

- Findings from Acute Hospital Bed Review, 2007
  - Average length of stay longer than in the UK
  - Day case rates low by international standards (but this does not take into account private hospital activity)
  - Irish hospitals still predominantly operate from Monday to Friday
  - Lack of formal discharge planning
  - Access to diagnostics limited outside acute hospitals
  - Acute beds occupied by long-stay patients for whom nursing home beds / community care not available
  - 37% of Irish inpatient days outside Australian "trim points" – "*the point after which a length of stay is determined to be abnormally long, and any additional days are classified as outlier days*"

Equity in health care utilisation

- Econometric studies have tended to suggest that – on a needs-adjusted basis:
  - GP utilisation weighted towards those on lower incomes
  - Specialist utilisation is heavily weighted towards those on higher incomes
  - Hospital utilisation is broadly neutral

The public-private divide

- Differentials in underlying health status
- Primary care
- Out-patient consultations
- Diagnostics (publicly-funded versus privately insured)
- Access to in-patient care

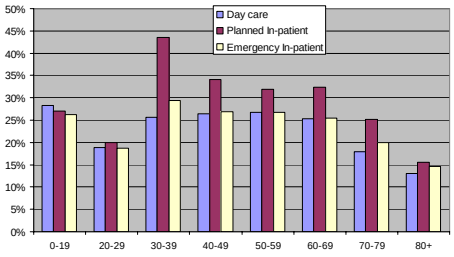
Health care utilisation

- Studies have tended to focus on apparent over-utilisation of public hospital beds by private patients – ***BUT*** *this is relative to intended 20% level of private activity in public hospitals*

Utilisation patterns

- Private care (in designated private beds) comprised 25% approx. of all in-patient and day-patient activity in public hospitals (2004)
  - 33% for elective admissions

% private bed-days in public hospitals



Utilisation patterns

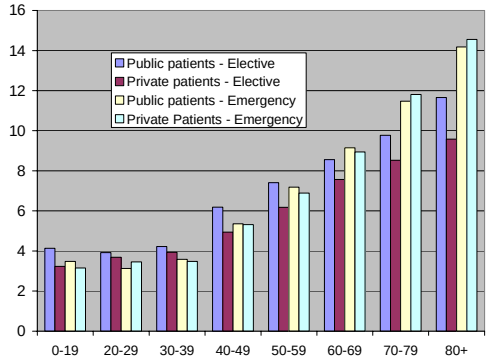
- Day-care:
  - **65%** of claims for VHI patients are for day-patient care (year to end Feb 2005)
  - **45%** of public patients are treated on a day care basis (HIPE Data, 2004)

Utilisation – public hospitals

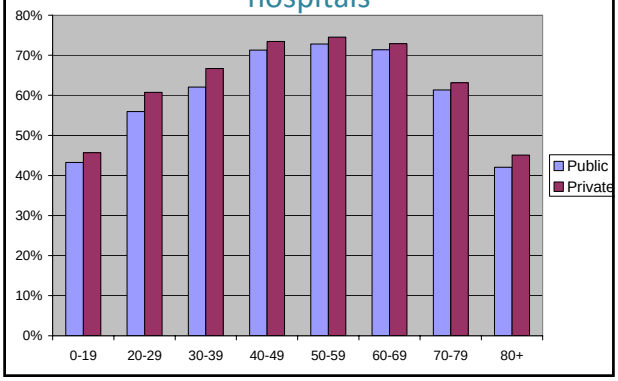
Utilisation patterns

- Planned care vs. emergency care:
  - **65%** of all in-patient days for public patients follow emergency admission
  - An estimated equivalent figure for private patients is in the range **40 – 50%**

Length of stay – HIPE, 2004



% planned treatment in public hospitals



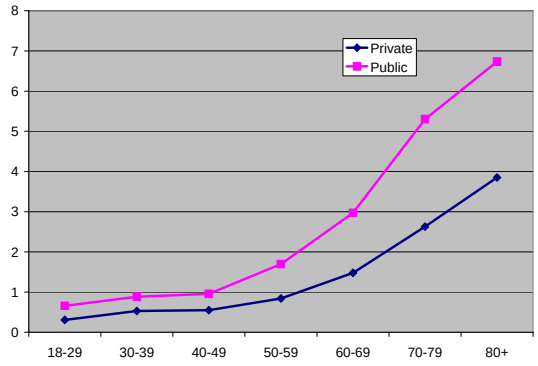
Public/private hospital mix of private care

- An estimated 60% - 70% of all private care is provided in publicly-funded hospitals

Total "treatment days" per person

- Sum of day-patient and in-patient days
- Data sources:
  - Hospital In-Patient Enquiry System
  - Health Insurance Authority staff reports

Total "treatment days" per person



Prescription for change

- Critical to level the playing field
- Where to from where we're starting from: **universal health insurance** rather than national health system
- Why:
  - Extend cover to those who haven't rather than take from those who have
  - Best likelihood of driving productivity changes
  - Consumer focus

Prescription for change

According to the Euro Health Consumer Index organisation:

Looking at the results of the EHCI 2007, it is very hard to avoid noticing that the top five countries, which fall within 36 points on a 1000-point scale, all have dedicated Bismarckian healthcare systems… While not at all arguing that the Bismarck-type healthcare systems are in every way superior, it seems that for total customer value, the Bismarck model runs rings around Beveridge!"