

The logo for the Health Management Institute of Ireland (HMÍ) features the letters 'HMÍ' in a stylized, green-to-blue gradient font. The 'I' has a unique shape with a blue accent at the top.

Health Management Institute of Ireland

A large, abstract geometric graphic on the left side of the page, composed of overlapping triangles in shades of blue, orange, and yellow. A white rectangular frame is overlaid on this graphic, containing the main text.

GETTING IT

RIGHT

Making better choices



The reality of health economics in Ireland

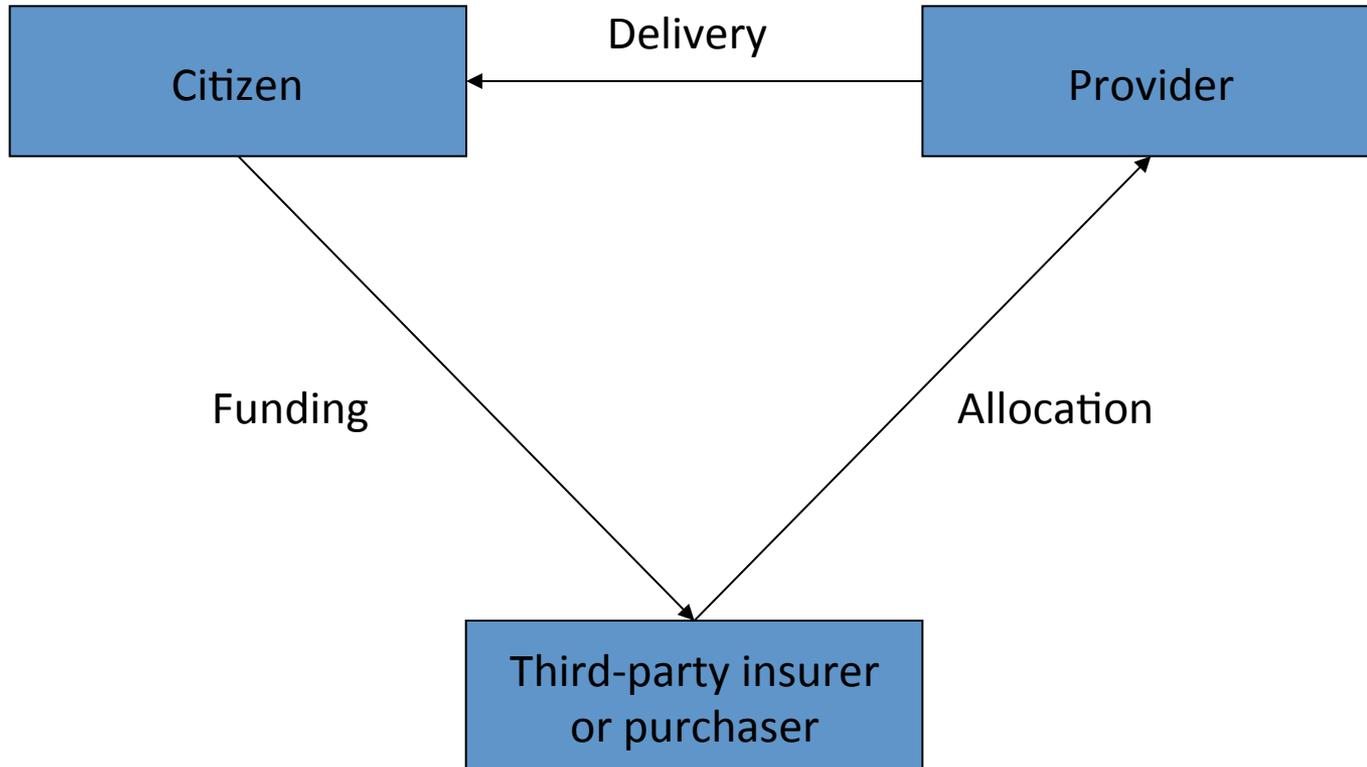
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Outline

- The Irish health system
 - An international context
 - Historical context
 - Getting some things right
 - The broader environment
 - Economic and demographic
 - Where to from here?
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The Healthcare Triangle

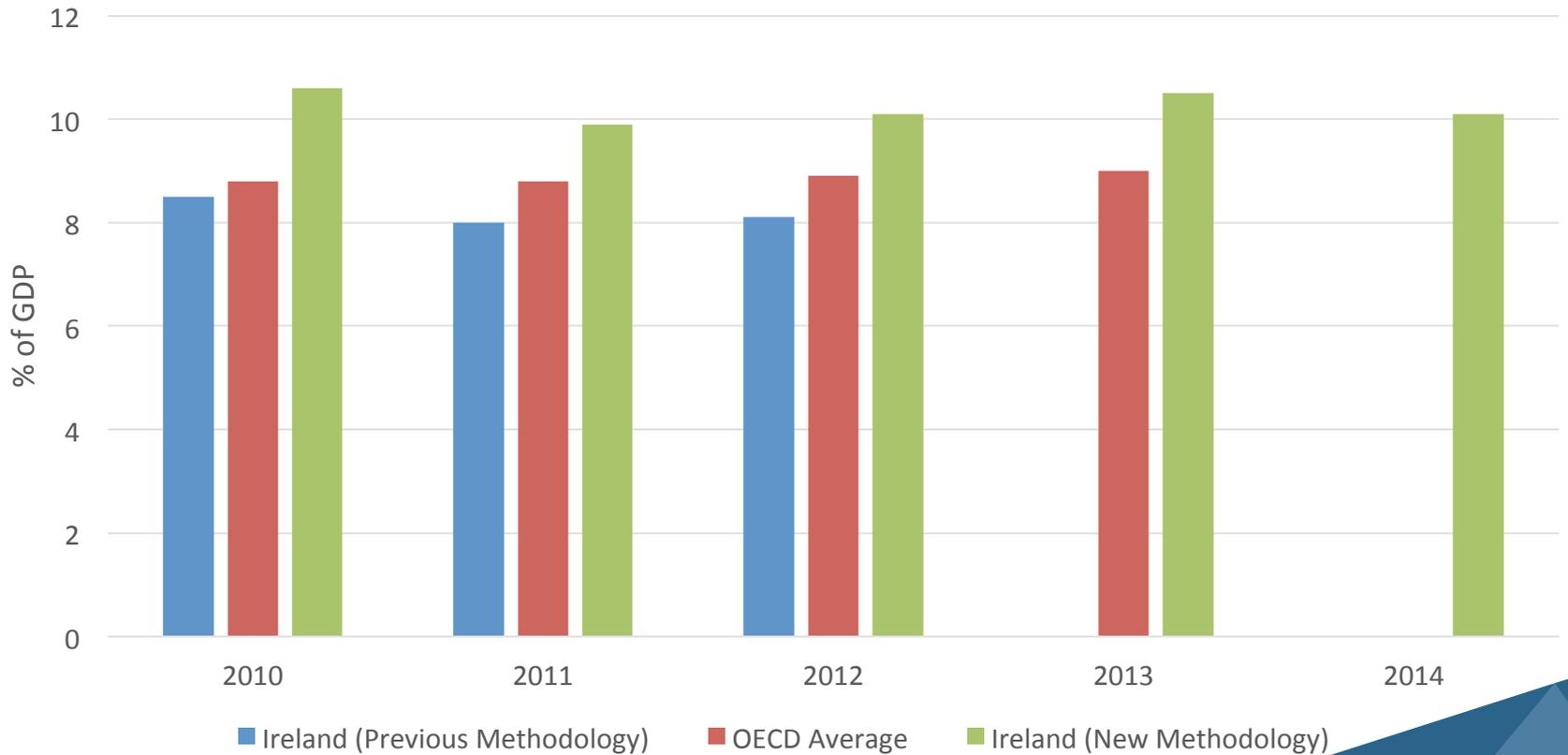


The System of Health Accounts

- New figures released by CSO in December 2015, with more in June 2016
 - More comparable with other OECD countries
 - Also provide more detail
 - Only available for 2013 and 2014 currently (2011 and 2012 to follow in 2017)
 - Some revisions to high-level figures for 2000-2012 but break in series between 2012 and 2013
 - Health spending higher than previously estimated
 - due to change in definition
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How Much are we Spending?

Chart Title



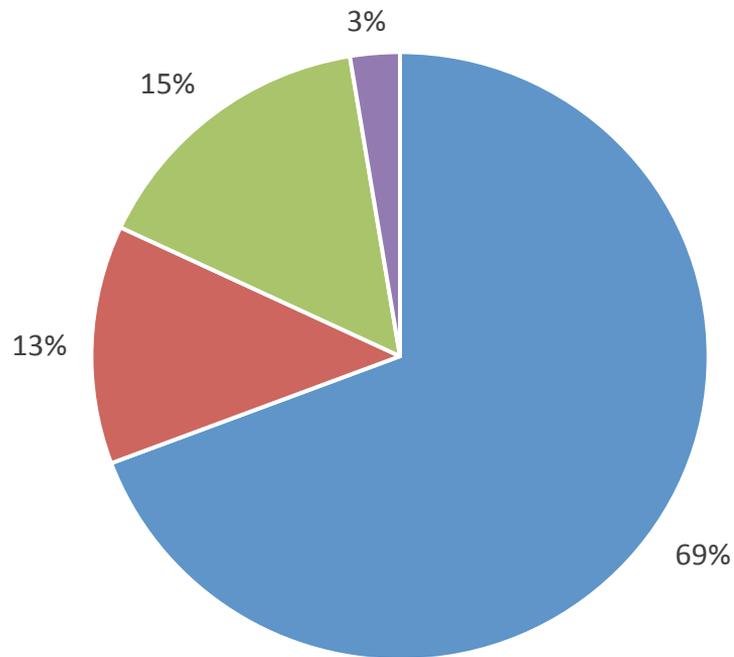
Source: CSO, OECD

How Much are we Spending?

- Health spending as a % of GDP is now eighth highest in OECD
 - Behind US, Japan, Switzerland, Sweden, Netherlands, Germany and France
 - Exceeded OECD average since 2008
 - Due more to falling GDP rather than rising health spending
 - Spending as a % of GDP or GNI?
 - National Accounts figures for 2015
 - Per capita spending (in US\$PPP) ranked seventh in OECD
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Where is the Money Coming From?

Financing Schemes



■ Government ■ Voluntary Health Insurance ■ Out-of-Pocket Payments ■ Other

Source: CSO

Where is the Money Coming From?

- Predominantly public funding
 - Vast majority of Govt. funding coming from taxation, with a small amount from PRSI
 - But private funding has increased in recent years
 - From 21% in 2008 to 31% in 2014
 - Now third highest proportion coming from private sources in EU-15 (only Portugal and Greece are higher)
 - Implications for equity
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Where is the Money Going To?

Providers	% of Current Spending
Hospitals	35%
Ambulatory Health Care Providers	20%
Long-Term Residential Facilities	19%
Retailers of Medical Goods	14%
Other	12%

Source: CSO



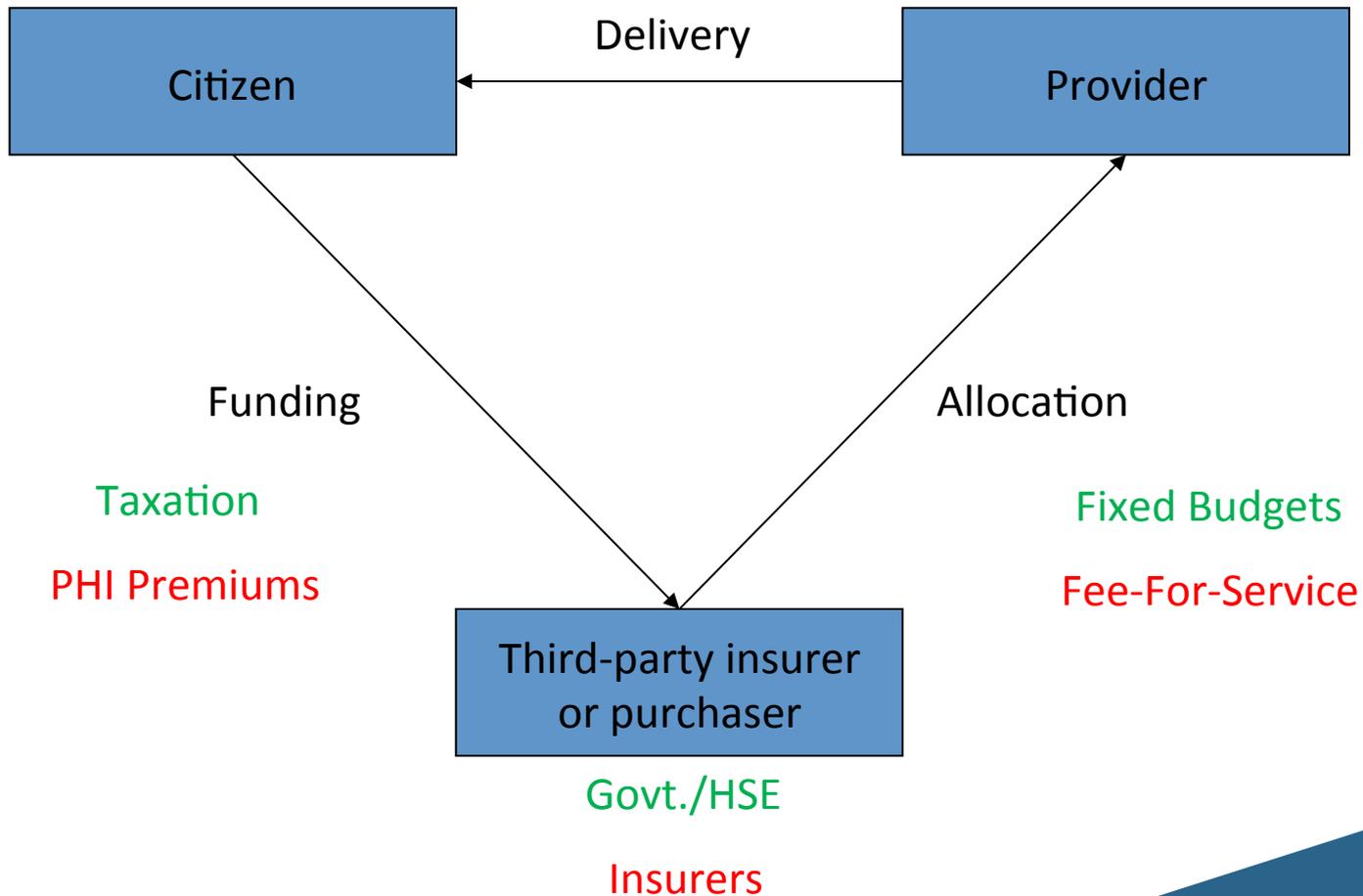
Where is the Money Going To?

Functions	% of Current Spending
Curative and Rehabilitative Care	54%
Long-Term Care (Health)	22%
Medical Goods	15%
Preventive Care	3%
Other	6%

Source: CSO



The Healthcare Triangle in Ireland



The Irish Health System

- Mixture of public and private funding and delivery
 - Not unusual internationally, but degree of overlap in Ireland is significant
 - Incentives
 - Differing eligibility/payment for services depending on status
 - Irish health system described as a ‘two-tier’ system – actually more nuanced than that
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Eligibility for Services

- Primarily determined by possession of a medical card (or GP Visit card)
 - Approximately 38% of the population have medical cards and approximately 9% have GP Visit cards
 - Services provided free (or at low cost) to those with MC (GP services only for those with GPVC)
 - For those without these cards, user charges have increased in recent years
 - Prescription charges for those with MC also
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User Charges

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Prescription Charges (per item) and Monthly Limit (per family)	N/A	N/A	N/A	€0.50 per item (€10 per month limit)	€0.50 per item (€10 per month limit)	€0.50 per item (€10 per month limit)	€1.50 per item (€19.50 per month limit)	€2.50 per item (€25 per month limit)	€2.50 per item (€25 per month limit)
DPS Threshold (per month)	€85	€90	€100	€120	€120	€132	€144	€144	€144
A&E Charge (without GP referral)	€60	€66	€100	€100	€100	€100	€100	€100	€100
Inpatient statutory charge (per night)*	€60	€66	€75	€75	€75	€75	€75	€75	€75

* Limit of 10 x nightly charge in a continuous 12-month period

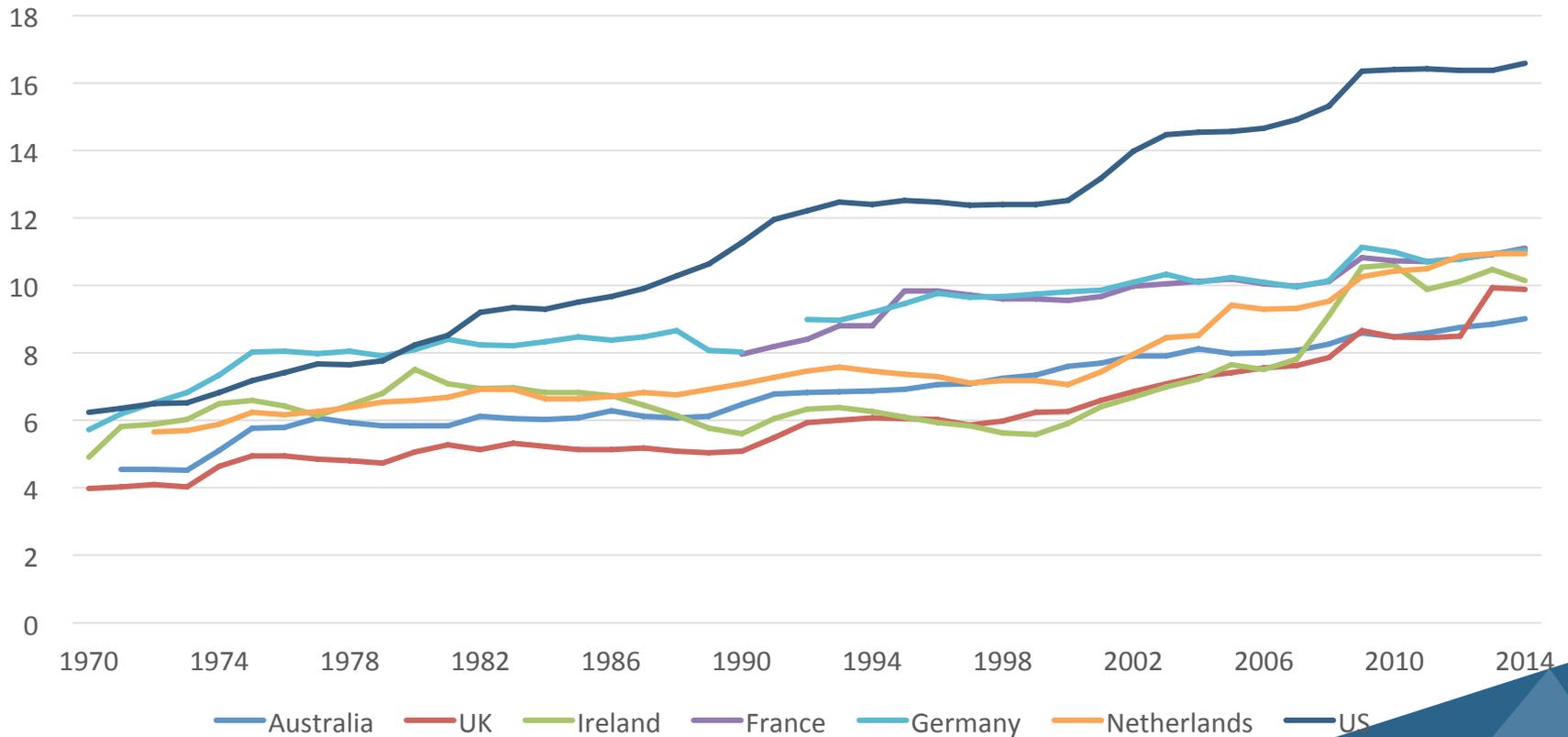
Source: Various

Private Health Insurance

- Primarily supplementary with an element of complementary
 - Take-up rate of 46%
 - Contraction from 2008-2014
 - Introduction of LCR in 2015 led to increased take-up
 - Significant premium inflation until 2014, then moderated, but accelerating again
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History Matters

Health Spending as a % of GDP



Source: OECD

History Matters

- Irish health system has not fully recovered from cutbacks in 1980s/1990s
 - Number of hospital beds still approx. 1/3 lower than in 1980, despite population increase of approx. 1/3 and increase in over-65 population of approx. 2/3 over the same timeframe
 - Need to manage expectations in terms of what we can achieve
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Irish Health Resources

- According to OECD Health at a Glance 2015, Ireland has:
 - Fewer doctors per 1,000 population than OECD average (2.7 vs. 3.3) and particularly a shortage of specialists
 - Fewer hospital beds per 1,000 population than OECD average (2.8 vs. 4.8)
- To bring these figures into line with OECD average would require (based on 4.76m population):
 - Over 2,800 additional doctors
 - Over 9,000 additional hospital beds

What we are Getting Right

- Life expectancy at birth above OECD average
 - Mortality rates from ischemic heart disease, though still above OECD average (136 vs. 117 deaths per 100,000 population), fell at a faster rate (down 59% vs. 45% from 1990-2013)
 - Self-assessed health status – 82% report their health as good or very good, the 5th highest proportion of 33 countries
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What It Says in the Papers

- Delays in discharging older patients from hospital 'cost HSE €820m a year'
 - HSE finance chiefs warn of poorer care and longer waiting times
 - Medicine brands to drop in price under government plan
 - Nursing vacancies continue to rise in Ireland
 - Private eye operations soar to help HSE meet targets
- 

What It Really Says in the Papers

- Delays in discharging older patients from hospital 'cost **NHS** £820m a year'
 - **NHS** finance chiefs warn of poorer care and longer waiting times
 - Medicine brands to drop in price under government plan [**Australia**]
 - Nursing vacancies continue to rise in **Scotland**
 - Private eye operations soar to help **NHS** meet targets
- 

The Broader Environment

- Ireland's debt increased significantly during economic downturn
 - Will impact on Government's ability to spend more on health
 - Greater European oversight of Ireland's budget
 - Demographics
 - Population growth
 - Population ageing
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Population Projections

	2011	2046 Low	2046 High
Population (million)	4.5749	4.9974	6.7293
Proportion aged 65+	11.6%	21.6%	27.9%
Proportion aged 80+	2.8%	7.2%	9.4%

Source: CSO



Sustainability

- Rising share of economic activity being spent on health (long-term trend)
 - Ageing population
 - Age vs. time to death?
 - Increasing incidence of chronic conditions
 - King's Fund report in 2013 suggested **public** spending on health and long-term care in EU could rise from 6.7% of GDP in 2007 to 13% by 2060
 - Adding in private spending would increase these figures
 - How much is sustainable?
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The 10-Year Plan

- Good idea
 - Needs to be realistic
 - What do we mean by a universal single-tier health service?
 - Focus on allocation and delivery rather than funding mechanism
 - Will require extra resources (at least in s-r)
 - National forum
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Getting It Right

- Irish health system faces significant challenges
 - But we are not alone
 - Expectations need to be managed
 - Resource and budgetary constraints
 - We should not lose sight of what we already get right
 - 10-year plan provides an opportunity to plan for the future
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On Getting it Right...



- “Do. Or do not. There is no try.”



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THANK YOU





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