

## HIA publishes *'The Irish Healthcare System'*

### Independent paper provides a historical and comparative review of the Irish Healthcare System

**20 September, 2018** | An independent research paper commissioned by The Health Insurance Authority ('HIA' or the 'Authority'), titled *'The Irish Healthcare System'*, was published today. The paper provides a historical and comparative view of the Irish healthcare system.

The paper is comprised of two parts. Part 1 provides a historical overview of the Irish healthcare system from 1718 to the present day - covering social, religious, political and economic influences that impacted the evolution of healthcare in Ireland. Part 2 provides an international benchmarking comparison of the current Irish healthcare system against the corresponding health systems in other developed countries - Australia, Belgium, Germany, and the United Kingdom. This comparative benchmarking details how Ireland might be able to learn from some of the successes, or failures, from other healthcare systems.

The full paper can be accessed here: <https://www.hia.ie/publication/other-publications>

**Dr Brian Turner, author of the comparative review section of the paper, commented:** *"While no two health systems are exactly alike, and each system has its own individual distinct features, the Irish health system shares common features and issues with other health systems around the world. Ultimately, citizens pay for healthcare, whether through taxation, health insurance premiums, out-of-pocket payments or other mechanisms, and this is consistent across all the countries benchmarked. Additionally, questions or issues regarding equity in a mixed public/private system and sustainability of long-term increases in health spending are evident in each of the countries reviewed in the paper.*

*In Ireland, the demand for private health insurance is relatively high comparatively, and this understandably influences debate on how healthcare is provided.*

*The proposed reforms outlined by Sláintecare to the Irish healthcare system are ambitious, but it remains to be seen to what extent they will be successfully implemented. Ultimately, the success of Sláintecare, and the resulting impact on the private health insurance market, will depend on how well funded it is."*

**Speaking about the results, Health Insurance Authority CEO, Don Gallagher, commented:** *"The effectiveness of the Irish healthcare system, whether public or private, is of immense importance to all members of the public of all ages. Part of our role as independent regulator for the health insurance market, is to monitor the health insurance market, be an authoritative source of information and advice for consumers, and advise the Minister for Health on matters relating to health insurance. Therefore, the Authority believed it important and helpful to commission this independent report that would provide constructive and informative analysis of the Irish healthcare system for the benefit of consumers, healthcare policymakers, providers and insurers."*

## **Key highlights of Dr Brian Turner's International Benchmarking are:**

### **Overall Comparisons**

- Each of the countries' health services benchmarked are predominantly publicly funded although Germany and Belgium are mostly funded through social health insurance, while Ireland, the UK and Australia are predominantly tax funded.
- In each of the countries benchmarked, particularly Australia, overlaps exist between public and private funding and delivery mechanisms.
- The nature of the private health insurance markets in the five countries vary. The health insurance markets in Ireland, the UK and Australia are primarily supplementary, while it is predominantly substitutive in Germany, and a mixture of complementary and supplementary in Belgium.
- Policy in the UK is moving in the direction of increasing the amount of private practice in public hospitals, albeit from a much lower base than that seen in Ireland or Australia.
- In all five health systems reviewed, there are concerns regarding equity in a mixed public/private system.
- Private practice presence in public hospitals is a feature of the tax-funded health systems in Ireland, the UK and Australia.
- Concerns regarding the sustainability of healthcare financing is common issue across all the benchmarked countries, as well as globally. Key drivers for the future of health spending will be population growth, ageing of populations, increased incidence of chronic diseases, and continued developments in medical technology.
- Private health insurance is encouraged in some cases by Governments, in the belief that it relieves pressure off the public health system. However, the success of this depends on the extent to which the treatment of private patients takes place in public hospitals.
- Privately insured patients Ireland, the UK and Australia, may be treated in private hospitals or in public hospitals. [This can create incentives for practitioners to treat some patients over others given the different reimbursement mechanisms for public and private patients.] This overlap has been increasing in recent years in the UK.
- Two of the primary drivers that influence health insurance take-up amongst policy holders across the five countries benchmarked are levels of disposable income and belief that private health insurance facilitates its holders with faster access to treatment.

### **Sláintecare**

- The proposed reforms in the Sláintecare report are ambitious, and it remains to be seen to what extent they will be successfully implemented.
- The removal of private practice from Irish public hospitals would represent a significant shift from the current model, and there will be international interest in how this progresses.

- If implemented successfully, the increase in capacity of public hospitals will be challenging, not only from the point of view of raising the required funding, but also in terms of recruitment and retention of staff, particularly given the shortages of suitably qualified staff internationally.
- The removal of private practice from public hospitals will have a significant impact on the overall structure of the Irish healthcare system and private health insurance market. These potential impacts include:
  - Need for a renegotiation of the consultant contract, which previous experience suggests will be neither easy nor quick (in 2017, a significant majority of consultants employed in Irish public hospitals had private practice entitlements under their contracts).
  - Consultants would potentially be forced to choose between public and private hospitals (unless they will be permitted to have separate contracts with public and private hospitals) - raising the question regarding the capacity of the private hospital sector to take on more consultants.
  - Privately insured patients would no longer have the option of being treated in public hospitals, increasing the pressure on capacity demand of private hospitals, although they will still have entitlement to be treated as public patients.
  - The removal of private practice from public hospitals would potentially have an effect on demand in private hospitals (The Private Hospitals Association states that its member hospitals care for approximately 400,000 patients per annum).
  - There may be a reduction in demand for private health insurance if investment in the public hospital system leads to shorter waiting times and greater confidence surrounding access and services in public hospitals.

**ENDS**

For more information on the Health Insurance Authority and the private health insurance market, go to [www.hia.ie](http://www.hia.ie)

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