

Independent Hospital Association of Ireland Submission on Minimum Benefits

1. Psychiatric Care

The current statute book has a requirement for all health insurers to cover psychiatric illness and there is a requirement that they should give a minimum of 100 days cover per annum. There are certain restrictions such as that alcohol programmes would only be covered for a total of 91 days in any 5 year period. In practice, BUPA granted their members the minimum 100 day cover and Vhi have not differentiated from their normal cover and grant their members 180 days psychiatric cover in any one year. The current minimum cover for these benefits should remain. In making this case it could be argued that the two private psychiatric hospitals account for just under 10% of all psychiatric beds (source: Inspector of Mental Hospitals 2003 Report) and account for 21% of all psychiatric admissions. The disproportionate ratio of admissions to beds probably reflects the 'bed blocking' in the public system. However the relevant point is that both private organisations are charities and are providing a substantial public service.

It is appropriate that the Health Insurance Authority should encourage psychiatric hospitals to provide alternative day care programmes to inpatient programmes. These can clearly be more cost effective for a suitable patient population and should be encouraged through the health insurance system as are day cases and side room procedures encouraged in general medicine.

2. Balance Billing

It is not equitable for a health insurer to threaten to reduce the existing rate it pays to a hospital for a service in the event that the hospital finds that it has to balance bill in order to recover costs. The necessity to balance bill arises out of a failure to recover cost increases from the health insurer.

3. Financial Cap

The concept of putting a cap on annual payments to a participating hospital should be challenged. If a hospital is efficient and reaches its expected cap by say November it is then unable to recover costs from the insurer for services provided in December. Insurers insert clauses into their agreements with hospitals saying that the hospital must continue to supply the services to the insurer's members without payment in such circumstances.

4. Specific Cap

It is inequitable that insurers put a specific cap on day case procedures in addition to the overall cap.

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