

Significant investment is allowing Ireland's healthcare system to undergo a fresh start, discovers Paul Gosling as he continues to explore healthcare systems in England's neighbours.

Ireland's modernising agenda

■ Ireland's healthcare system differs greatly from that of the United Kingdom. More Irish patients rely on medical insurance and the structure of the health service has little similarity to that of Britain. The commonality is that in Ireland, as in Britain, state expenditure has increased massively over recent years.

Until the beginning of this year Ireland operated a complex, devolved system of health service governance dating from 1970. Hospitals and primary care services were managed through regional health boards, whose committees included representation from local councillors and which serviced populations ranging from 200,000 to 1.25m. The Department of Health and Children's role was essentially as a provider of funds and a strategic planner, not involving local service management.

A review in 2001 of the value for money outcomes of the health service structure, conducted by Deloitte & Touche, was very critical of the way the old system operated. "It is difficult to imagine any demand led service organisation, which has grown at the rate of the Irish health service, still operating within a structure devised over 30 years ago," commented Deloitte.

"The optimum shape of the system including the role and structure of health boards urgently needs to be re-evaluated, to support regional self-sufficiency and improved equity of access."

The old system was consequently not only re-evaluated, but fundamentally reformed, with effect from January this year. In place of a structure of health boards reporting to the Department of Health and Children, a Health Service Executive has been established, with overall responsibility for service management, operating through four regional health authorities for the Western, Southern, and North East/Dublin and Mid-Leinster/Dublin areas.

"These regional centres are not health boards, but rather units which will assist in the co-ordination of services delivered through

the local health offices," explained former Health Minister Michéal Martin when they were adopted. "This structure will improve patient services and minimise disruption for staff working in existing locations, although functions, roles and responsibilities and lines of accountability may change."

The then Chairman of the Interim Health Service Executive, Kevin Kelly – who has now stepped in as interim Chief Executive – said: "Ireland will have a single, unified health service with devolved and empowered decision-making at local level. This will deliver the most equitable and efficient management of the health system in order to achieve improved patient/client care, a better working environment for staff and enhanced value for money."

regional authorities' responsibilities

Responsibilities of the new regional authorities include performance management, translating national policies to local area applications, collating information regionally and consulting with local communities and their councillors. Hospitals and primary, community and continuing care services report directly to the national HSE.

These structural changes are backed up by the creation of a National Hospitals Office, to drive forward modernisation and reform of hospitals, and the establishment of a Health Information and Quality Authority which will have a similar role to that of NICE in the UK in spreading best practice. Decision-making will also be much more devolved.

medical insurance

Alongside the radical change to the structure of the service, there is a gradual move towards greater take-up of medical insurance. There are two major health service insurers operating in Ireland. VHI – the Voluntary Health Insurance Board – was established by the Government and controls about 90% of the market, with most other insured people using BUPA. But

just over half the population do not hold insurance cover. About a fifth of beds and a quarter of admissions in public beds are designated as private.

"The number of insured persons has been rising, principally, it seems, because of the speed and certainty of access to care which the holding of insurance more easily provides," reported Deloitte. "Tax relief on premia also promotes the holding of medical insurance."

But the use of insurance has not prevented a massive increase in expenditure by the state on health services over recent years. This has increased to Å9bn in the current year, compared with Å6bn in 2001 and less than Å1.6bn in 1990. This is backed by a capital expenditure programme which is increasingly financed through Public Private Partnerships, similar to those of the UK.

serious strain

But despite the heavy investment, Ireland's health service is under serious strain. Many of the hospitals and GP surgeries are now quite old and in poor condition. Ireland was a poor country before it benefited from membership of the European Union, and despite now having one of the highest average incomes per head in the EU, there is an historic deficit in much of the country's public infrastructure which cannot quickly be put right.

Taking together that weak infrastructure and a poor administrative structure, it is no wonder that the Irish health system is widely regarded by its citizens and politicians as inadequate.

"The structure was never designed to work efficiently," suggests Gus Mulligan, Financial Controller at Beaumont Hospital in Dublin and a senior ACCA member. "It's been designed for all sorts of things like providing input from local groups, but it was never designed to work as a corporate structure. Now with the move towards a more coherent administrative system, some services, such as psychiatry, do not fit within the newly established boundaries."

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"The other thing is that within the structure there are enormous stresses," continues Mr Mulligan. "The population has expanded by a million since 1960, which is equivalent to the size of Dublin at that time added onto the country. And with the impact of technology and drugs you have an enormous dynamic for increasing costs. It's the worst of all circumstances."

regional disparities

Pressures on the Irish health service are made more severe by various disparities within the country. Dublin contains a third of the country's

population and is much wealthier, per capita, than most of Ireland. In particular, rural areas are often poor and their populations can be widely dispersed. Many specialist health services are based in Dublin, with people who live as much as five hours travel away having to visit hospitals in Dublin for frequent treatment.

With such small rural populations, there are limited opportunities to provide localised specialist consultants and facilities. Some insiders also suggest that the health service is not yet managed as a whole, with the result that increases in consultant numbers are not

necessarily matched by greater provision of related specialist facilities, or vice versa.

"The reality is that this has not created an efficient service," says Mr Mulligan. "It is not amenable to simple solutions."

significant changes

It seems likely, despite the major reforms already embarked upon, that further significant changes will be implemented in the future. This may include the conversion of more general hospitals into specialist centres of excellence, with major regional centres such as Cork and Galway expected to develop more of their own specialist services. We may also see more cross-border health care, with Belfast servicing much of the North West of the Irish Republic.

But Ireland has also begun a significant change in its attitude to the role of public health, having already banned smoking in enclosed public spaces and also tackling the alcohol culture through a process of continued increases in duty and the promotion of small café bars. Taoiseach (prime minister) Bertie Ahern said, on the recent first anniversary of the smoking ban, that the loss of income to the Exchequer through reduced smoking was acceptable, as this income would have gone towards the health service which will function better as a result of the ban.

Mr Mulligan believes that one of the next significant reforms will be for hospitals to adopt different management practices, with clinicians more involved in administrative decision-making, without losing their focus on clinical practices. There is no sign, yet, of Ireland's health reform process slowing down. ■

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