

Private Activity in Public Hospitals

Society of Actuaries

3 December 2019

Oireachtas Committee Recommendations

- Phased Removal of Private Care from Public Hospitals
- Undertake Independent Analysis to “identify any adverse or unintended consequences”

Independent Group

- Established November, 2017
- 5 Members with Department of Health Secretariat
- Reported February, 2019
- 47 Submissions
- Oral Hearings
- Hospital Visits
- International Evidence (OECD & European Observatory)
- Deloitte Report on Impact on Private Health Insurance Market

Recommendations 1

1. Legislation to ensure that public hospitals are exclusively used for the treatment of public patients from the conclusion of the ten-year Sláintecare implementation period
2. All new consultant appointments should be to a Sláintecare Consultant Contract, which allows only public activity in public hospitals
3. Restore pay to pre-October 2012 pay levels for all existing Type A contracts and new entrant Sláintecare Consultant Contracts

Recommendations 2

4. Consultants holding 2008 (or earlier) contracts under which the consultant conducts private activity on a public hospital site should be offered a “contract change payment” to move to the new Sláintecare Consultant Contract.
5. Introduce a scheme to allow a special derogation from pay caps to address recruitment to highly specialised posts.
6. Implement the agreed monitoring and reporting system to robustly monitor and enforce the existing consultant contract

Recommendations 3

7. The Department of Health should ensure that HIQA's quality and safety regulatory functions are extended to all healthcare settings
8. Comprehensive data should be collected on the nature and scale of activity in the private hospital system equivalent to those collected in the public system

New Slaintecare Consultant Contract

- Key Recommendation
- Restore Pay from €131 k to €182 k
- Stop issuing contracts with private practice rights as these will have to be bought out in the future
- Offer Contract Change Payment

What Will This Cost ?

- Gross Cost after 10 years €650 m p.a.
- of which main elements are
 - Private income of Hospitals €500 m plus
 - Consultant Pay € 85 m
- Costs are incremental – relatively modest at start, incremental rise over time

Can We Afford It ?

- Health Spending up by €2.5 Bn in last 8 years
- Private Income of Hospitals Under threat anyway
- Campaign by Insurers
- Consultant Pay Needs to be Restored anyway
- People Already Paying through Taxes and Insurance

Why Do This ?

- People in a Public Institution Should be Treated equally on basis of medical need not ability to pay.
- Citizens will be better served by fully-functional public service and will have reduced expenditure on PHI
- Progressive and incremental change
- Avoids system shock
- Change is being done in parallel with
 - commitments to increase acute capacity
 - commitments to develop and enhance other services (primary and community care, access to diagnostics etc)