

## **The Society of Actuaries in Ireland**

### **Radical Reform of Health System Urged**

A controversial presentation to the Society of Actuaries in Ireland has outlined reforms of the Irish health system which could dramatically increase efficiency and value. With the state's expenditure on health care estimated at £3.5 billion in 1999 and escalating rapidly, actuaries Joyce Brennan, Declan Moran and Elaine Fennessy have argued in a major paper on financing of primary health care that significant savings and improvements are possible. They claim that an efficient health care system should provide an incentive for care to be carried out in the most cost-effective setting, and that the Irish system fails to achieve this.

The paper's authors focus attention on primary health care delivered in the community, outside of a hospital setting. They claim that primary health care has huge potential to control expenditure on hospital care. They further note the underdevelopment of appropriate financing models in Ireland compared to other developed nations.

Amongst a number of controversial proposals, the presenters argue for a system of co-payments to be introduced in respect of services that are currently provided free of charge. While co-payments would be minimal for low-income groups, the proposal would help considerably to reduce waste in the system.

The authors also recommend the enrolment of everyone in a national health insurance scheme. This would involve each person joining one of a selection of insurance companies to provide health services to them. Insurers would receive a payment from the state for each member. This would improve efficiency and improve the compilation and dissemination of data, and could ultimately be used to improve standardisation of care and improve health care results.

Other radical proposals include the introduction of an incentive-based remuneration scheme for General Practitioners. This would reward GPs who minimised the use of expensive hospitalisation facilities and encouraged the use of outpatient facilities and community care. The authors claim that the remuneration of GPs in the private sector by fee for service and out of pocket by the consumer is fundamentally flawed and gives rise to inefficiencies.

Commenting on the paper, the President of the Society of Actuaries in Ireland, Jimmy Joyce, welcomed this valuable addition to the debate on the development of the Irish health care system. It is important that any reform of the financing of primary care should be based on sound financial

principles. This is an area where actuaries can make a valuable contribution he said.

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**Note for editors**

The Society of Actuaries is the professional body for actuaries practising in Ireland, many of whom work in the pensions and life assurance industries.

Membership of the society also includes actuaries who qualified in Ireland and are now working overseas and almost 200 student members. The Society aims to develop the role and standing of the Actuarial profession and to enhance its reputation, in particular for serving the public interest.

The full report is available on the Society's website at [www.actuaries-soc.ie](http://www.actuaries-soc.ie).