The Performance of the Irish Health System in an International Context

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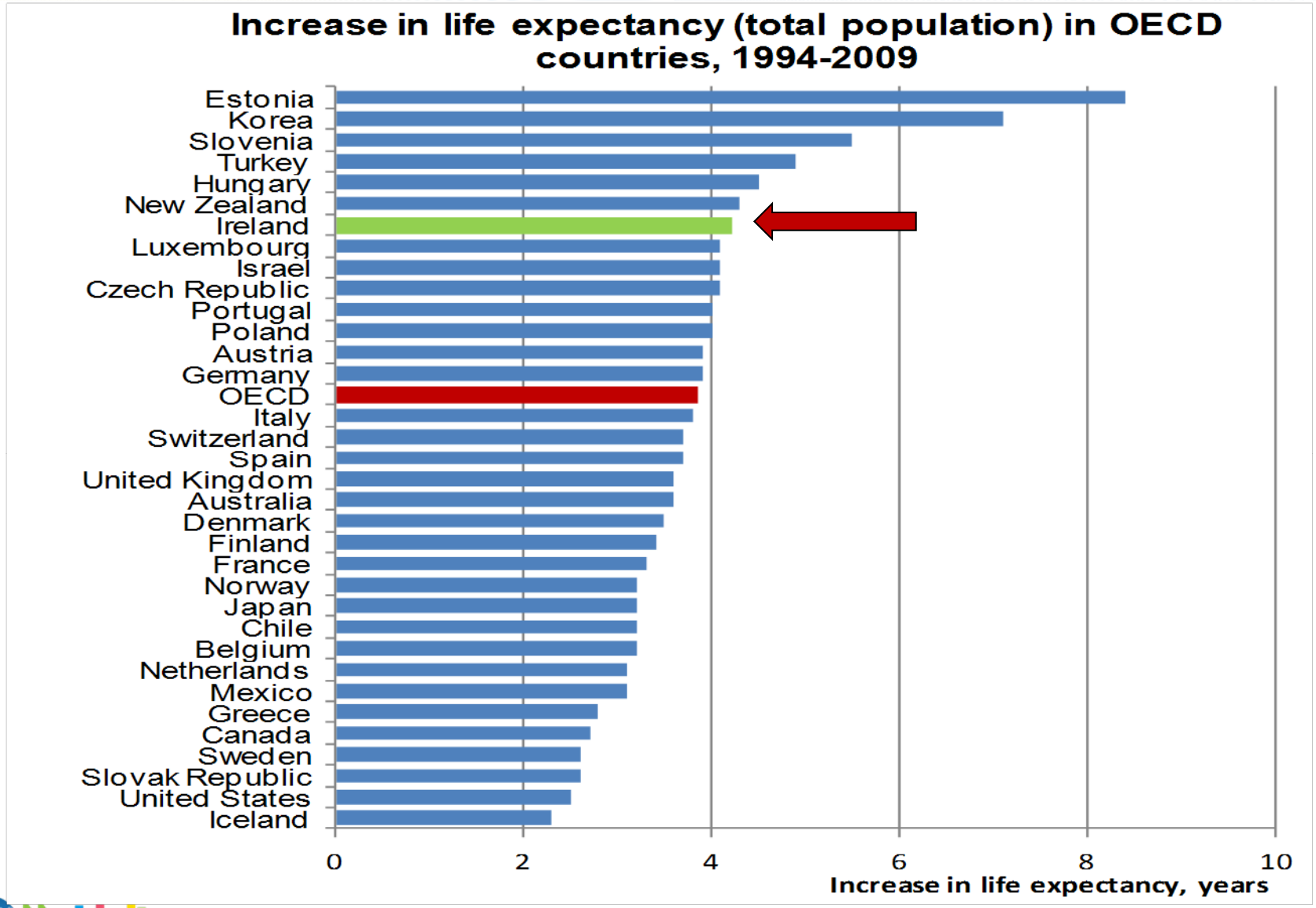
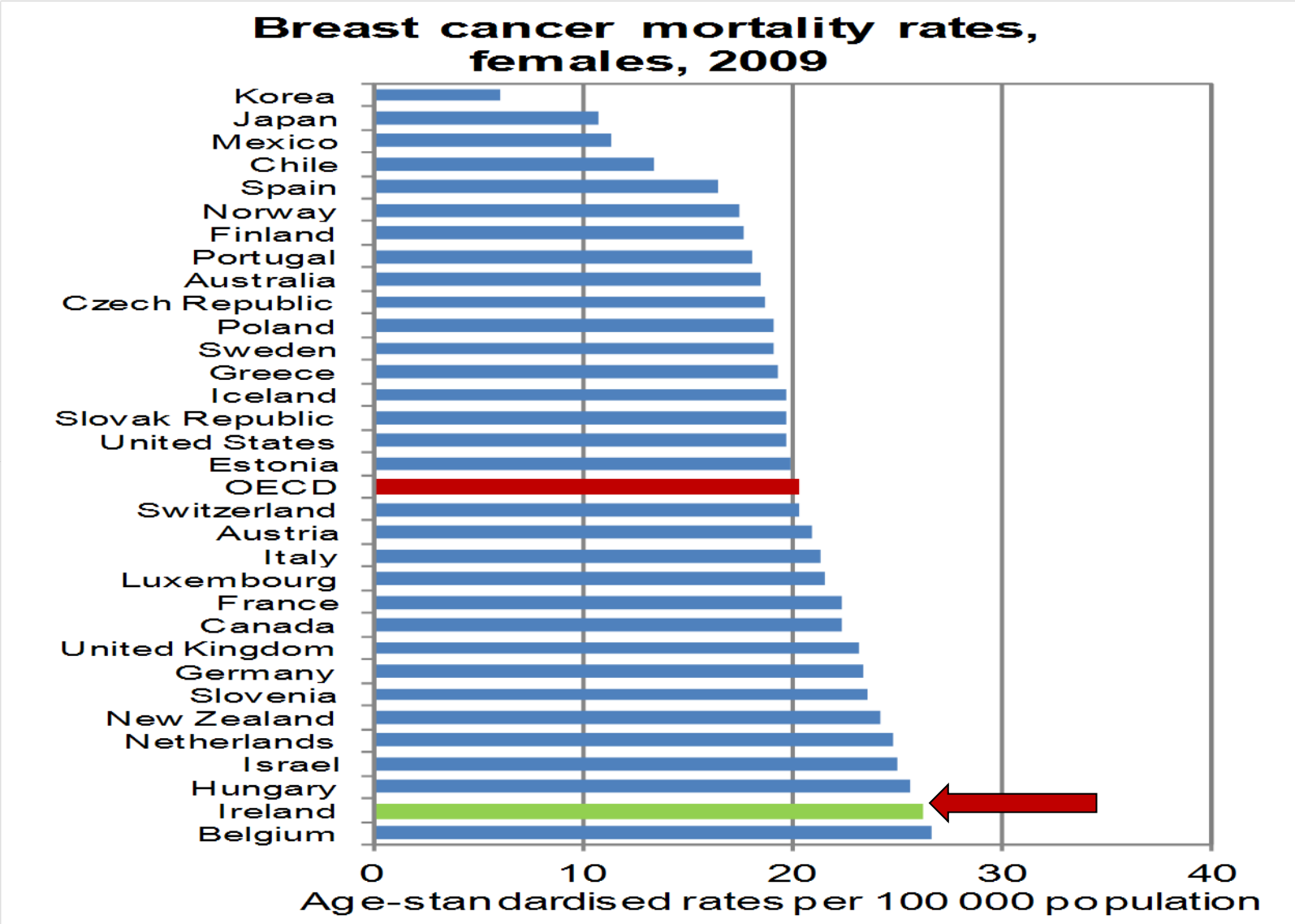
Structure

1. Irish health and the Irish health system in an international context
2. Health System Efficiency: where does Ireland stand?
3. Reforms to address inefficiencies in the Irish health system

Improvement in health outcomes



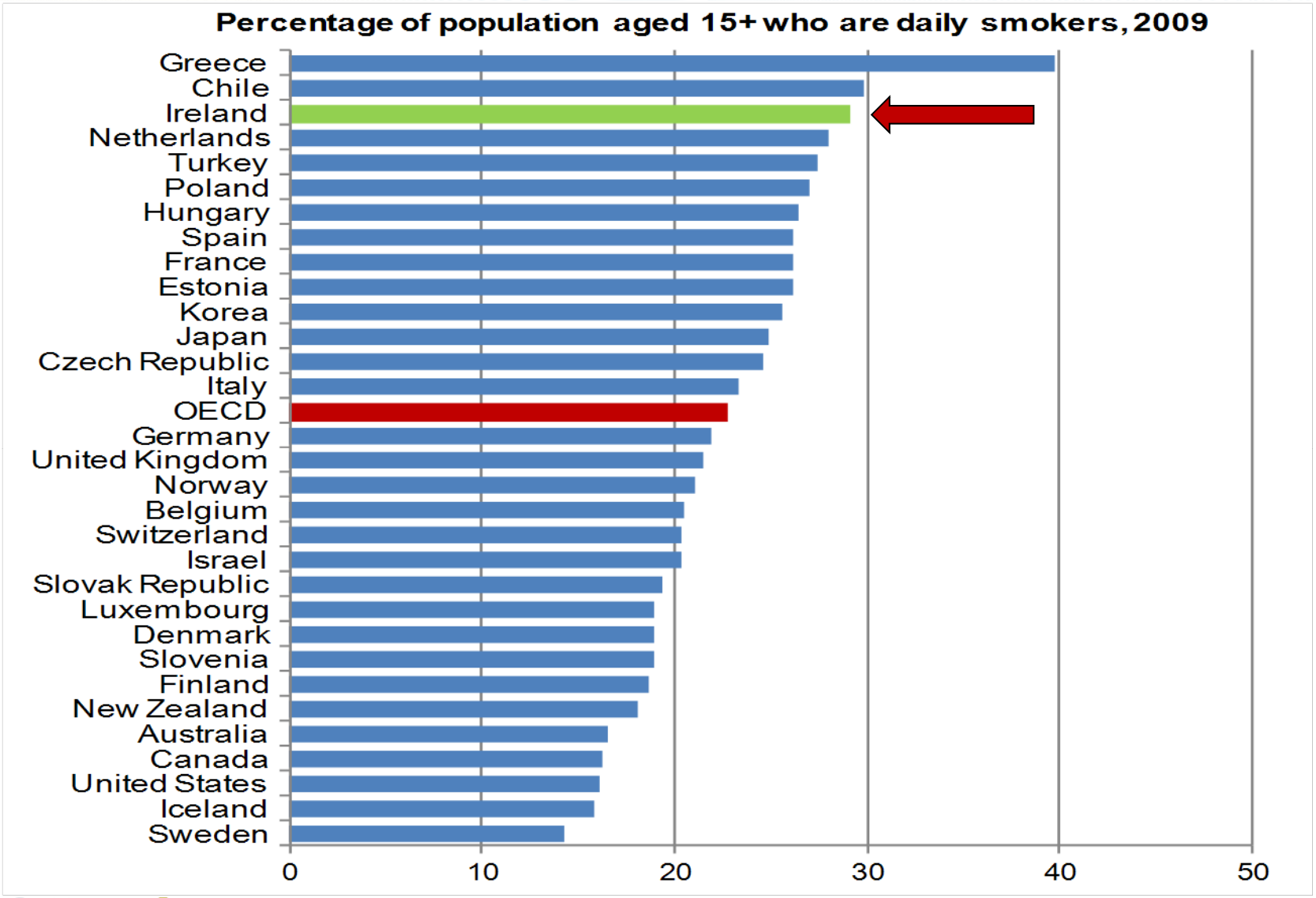
But NCDs still pose a challenge



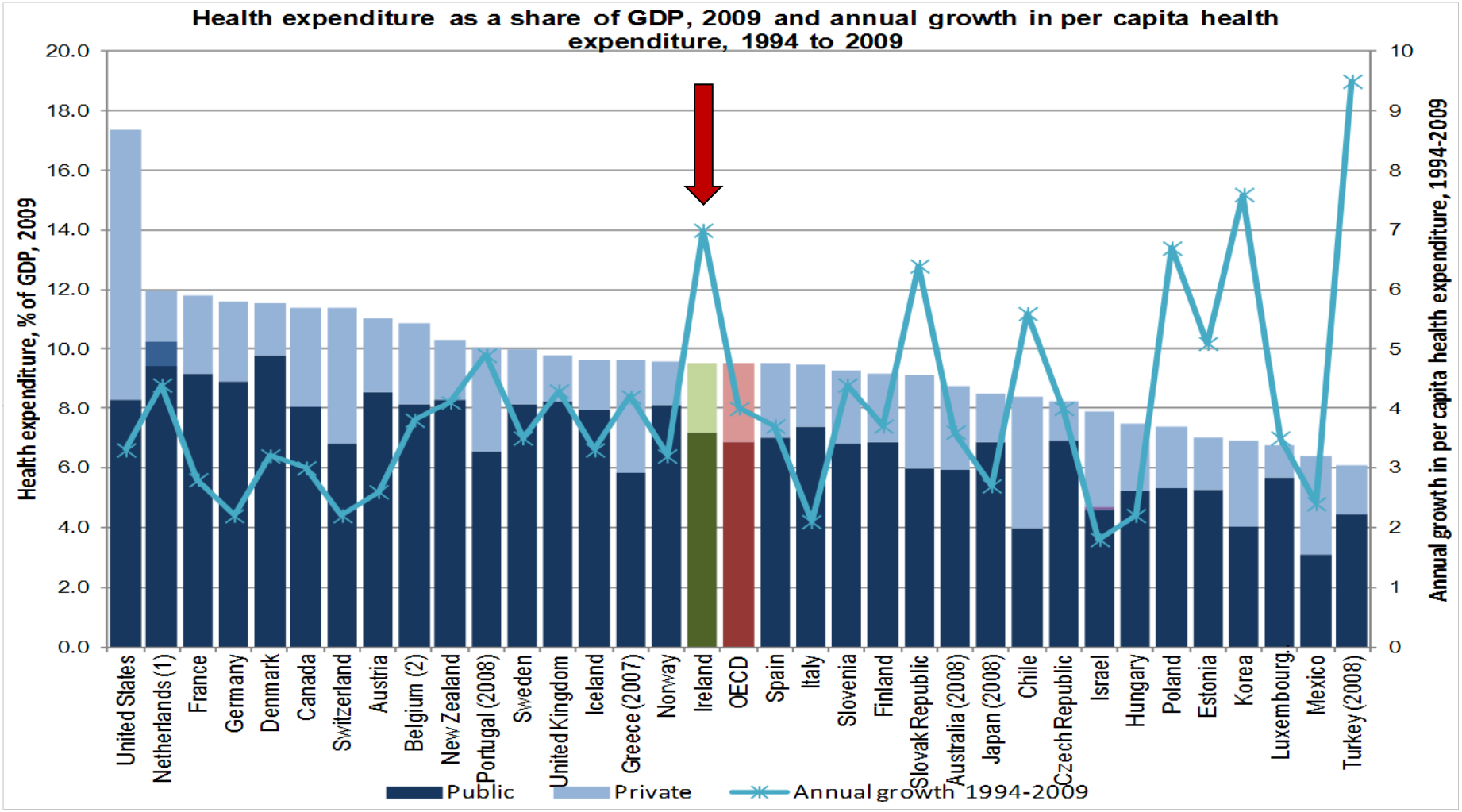
Risk factors partly to blame

- Some mortality patterns attributable to Irish lifestyle.
- Alcohol consumption greater than the OECD average – 11.3 litres per capita as opposed to 9.3 litres per capita.
- Quarter of the adult population obese

Smoking – still the biggest challenge



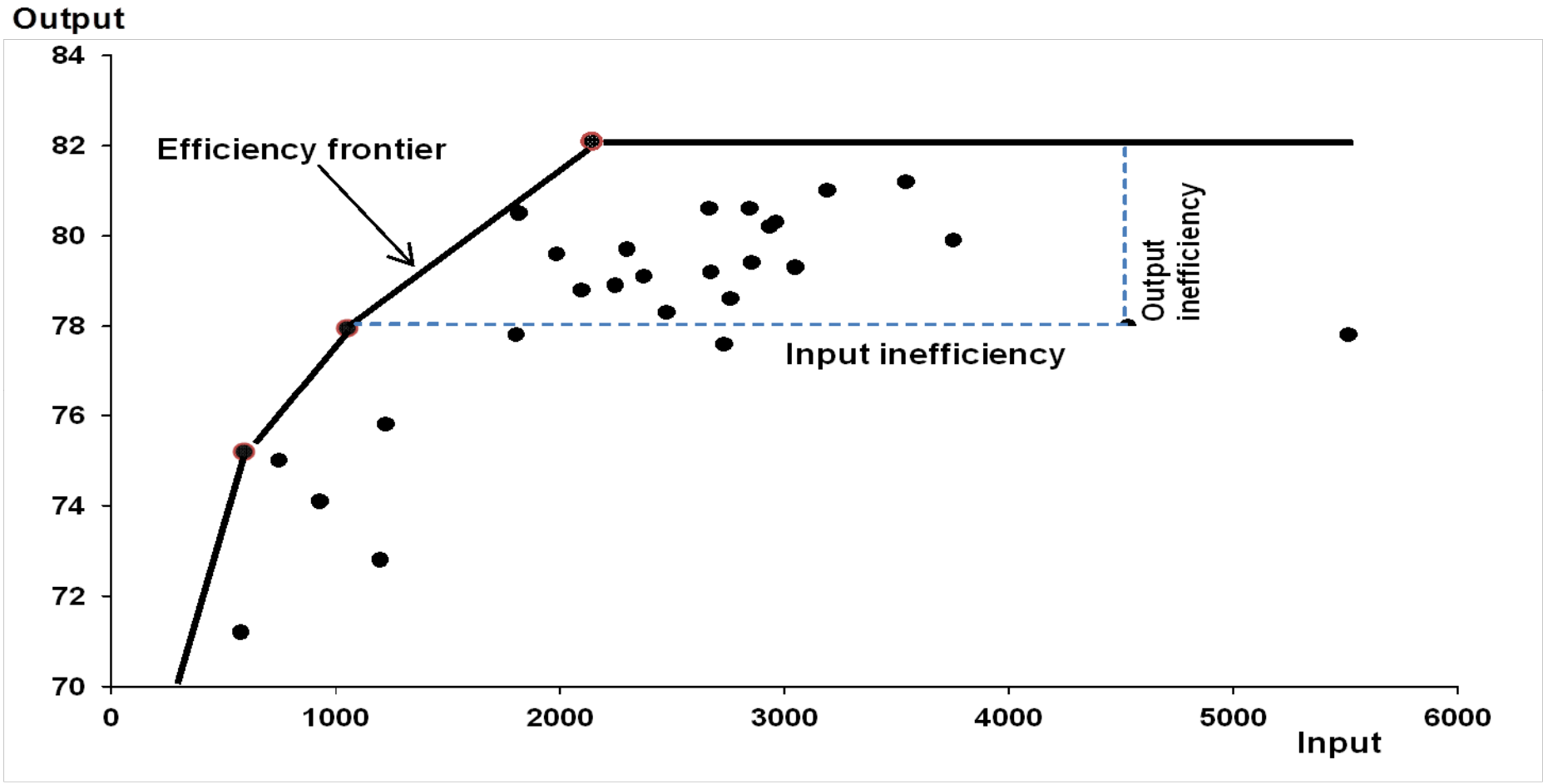
Health spending has caught up with other OECD countries



Expect upward pressure on spending despite cuts

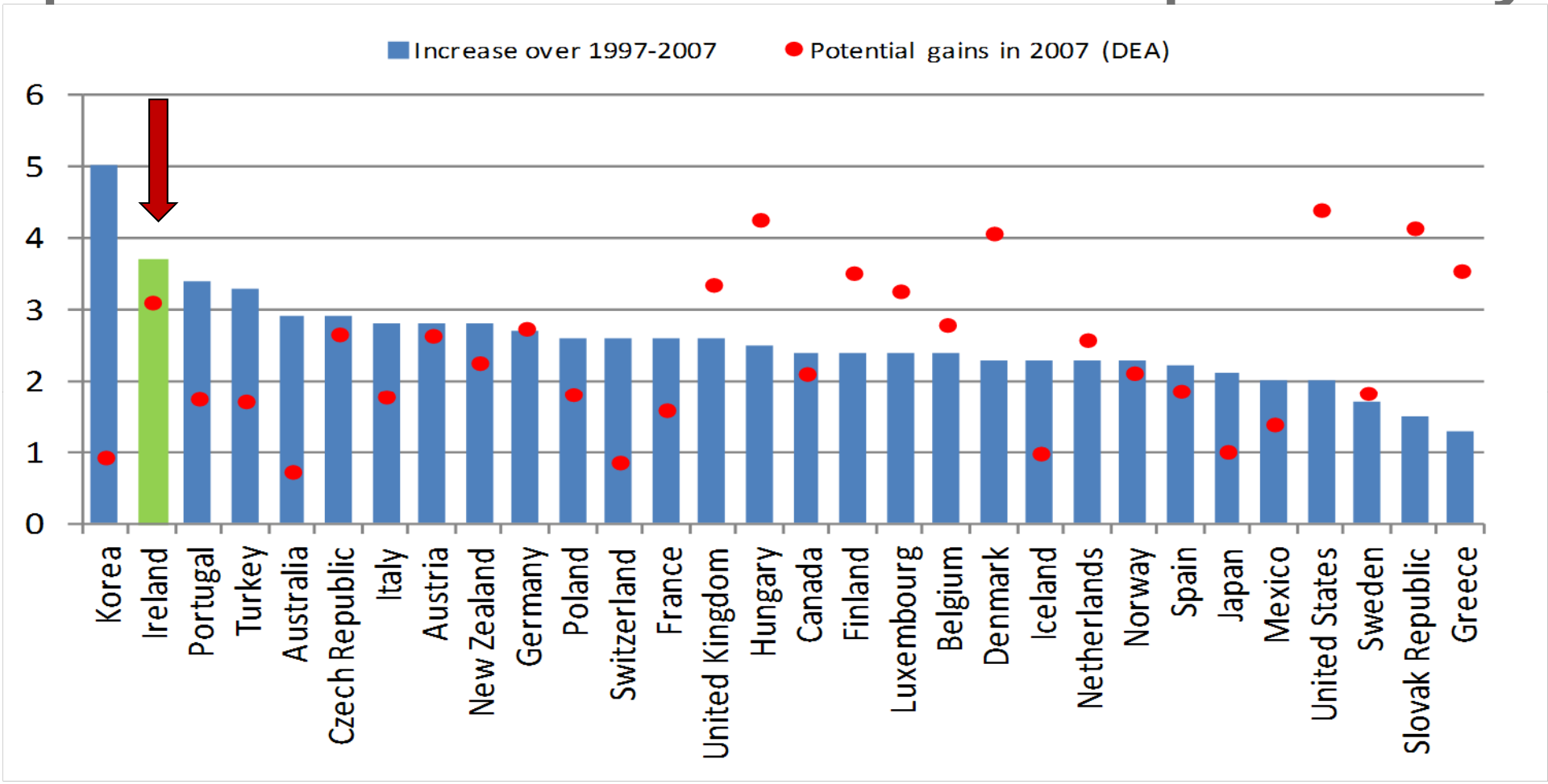
- 2011 budget - health expenditure cuts of EUR 750 million
- Health care and long-term care costs in Ireland forecast to increase by 1.2% and 1.1% of GDP respectively for 2010-25
- Calls to increase ***efficiency*** of health spending

Efficiency of the whole health sector

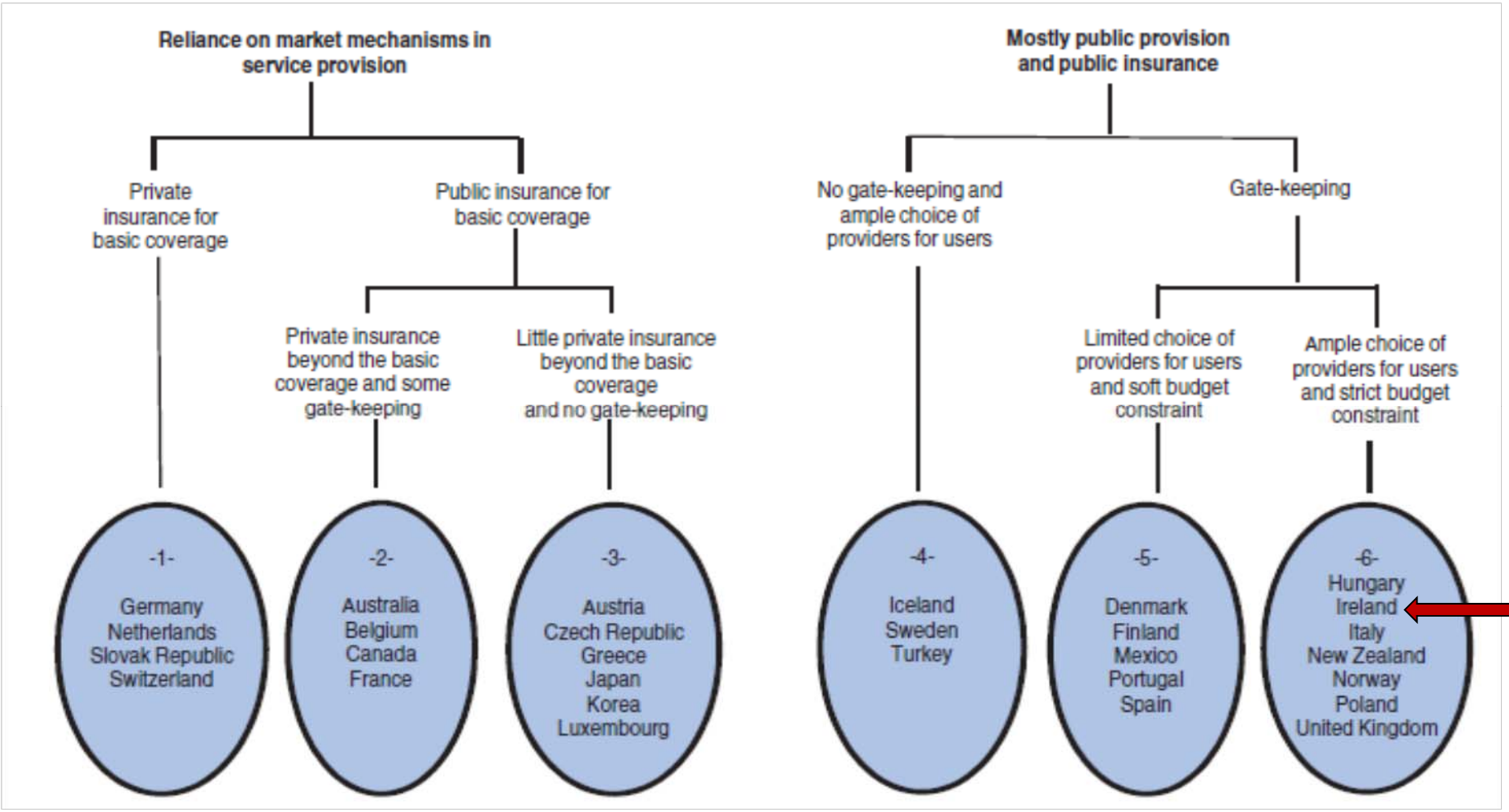


Source: OECD, 2010

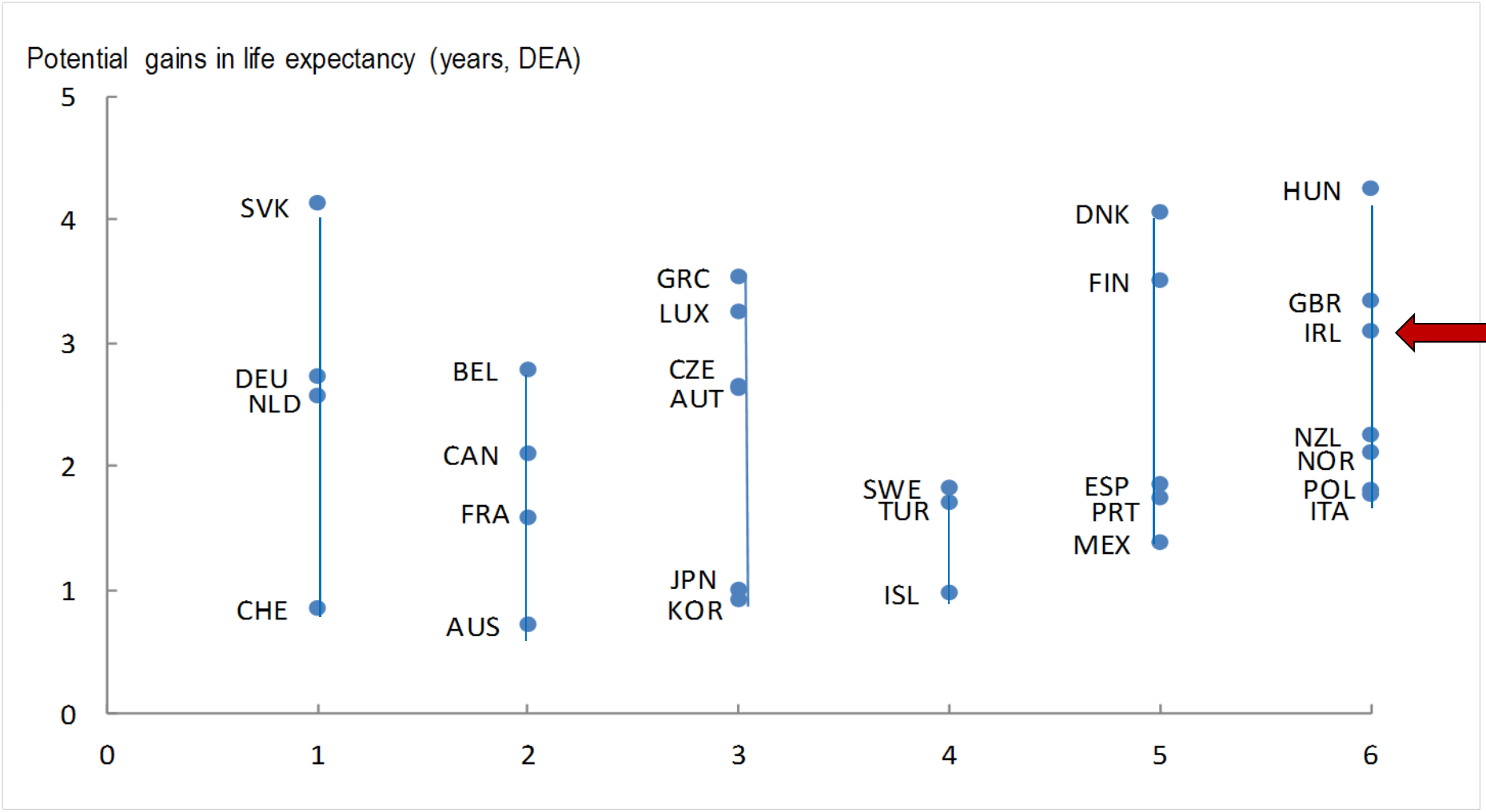
Efficiency gains offer considerable potential to increase life expectancy



Groups of countries sharing broadly similar institutions



Efficiency varies more within groups of countries than across them

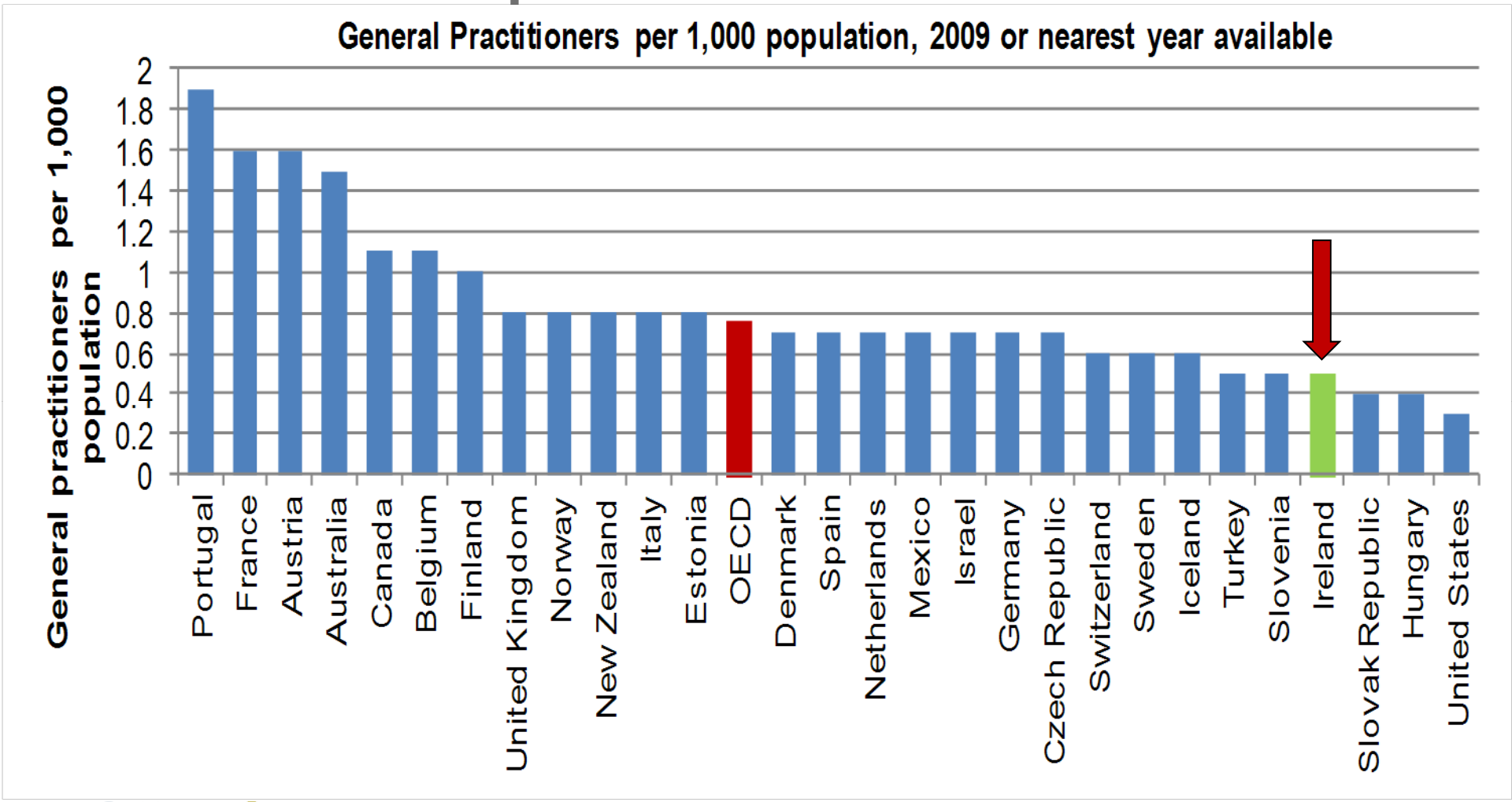


Le Corbusier: villa Savoye

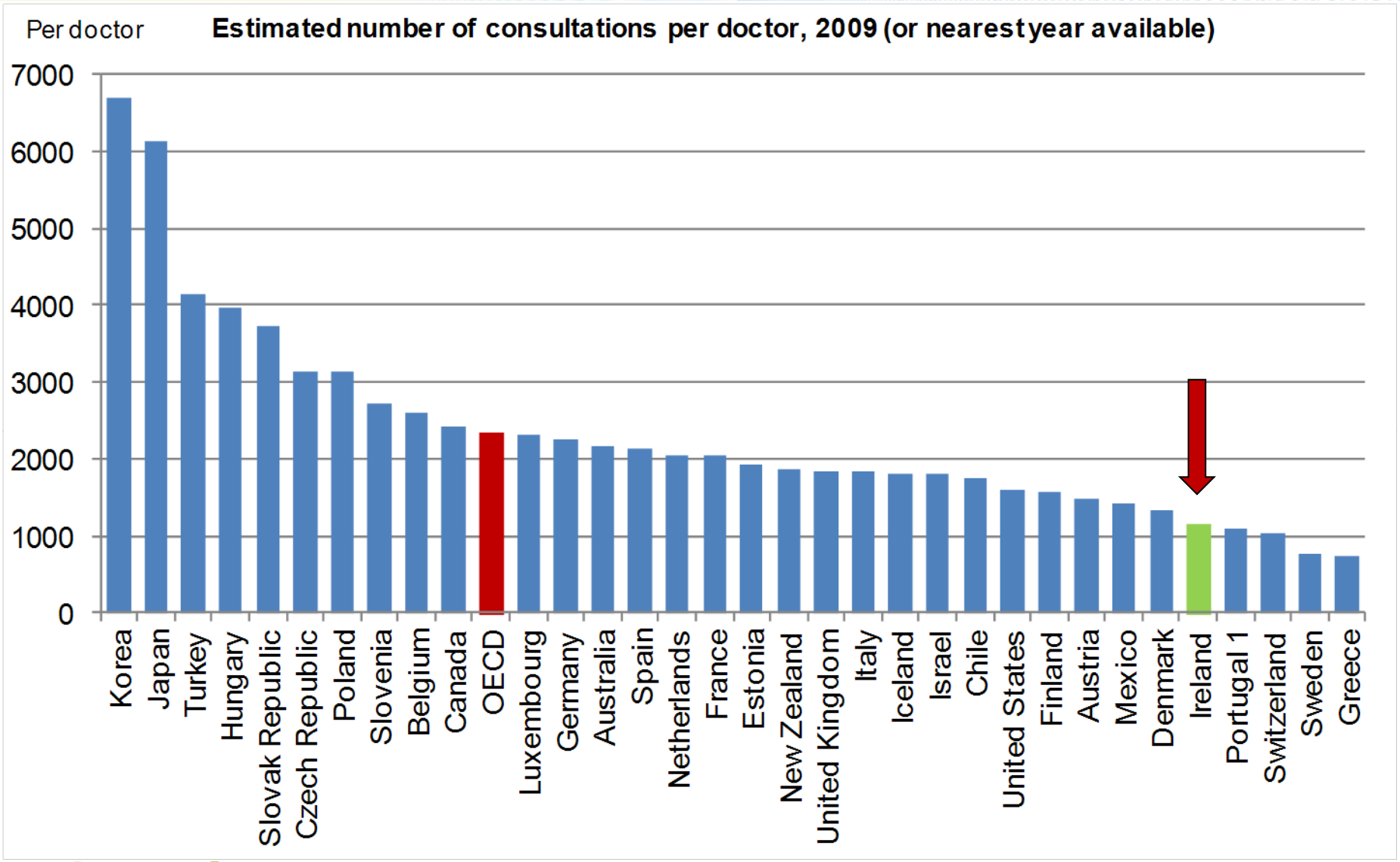
Inefficiencies in the Irish health system

- Primary care
- Hospitals
- Pharmaceuticals

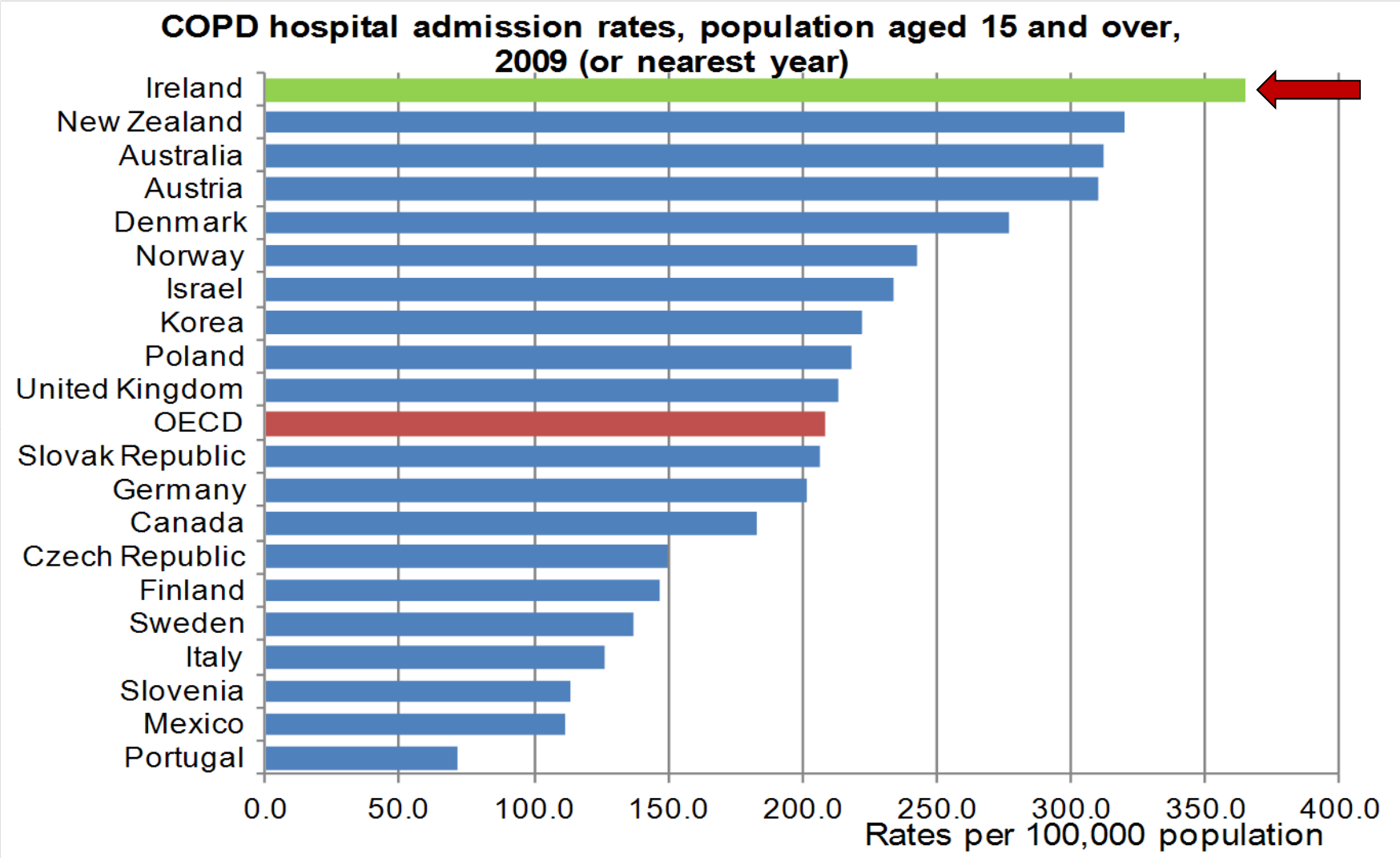
Low numbers of general practitioners



Low number of doctor consultations



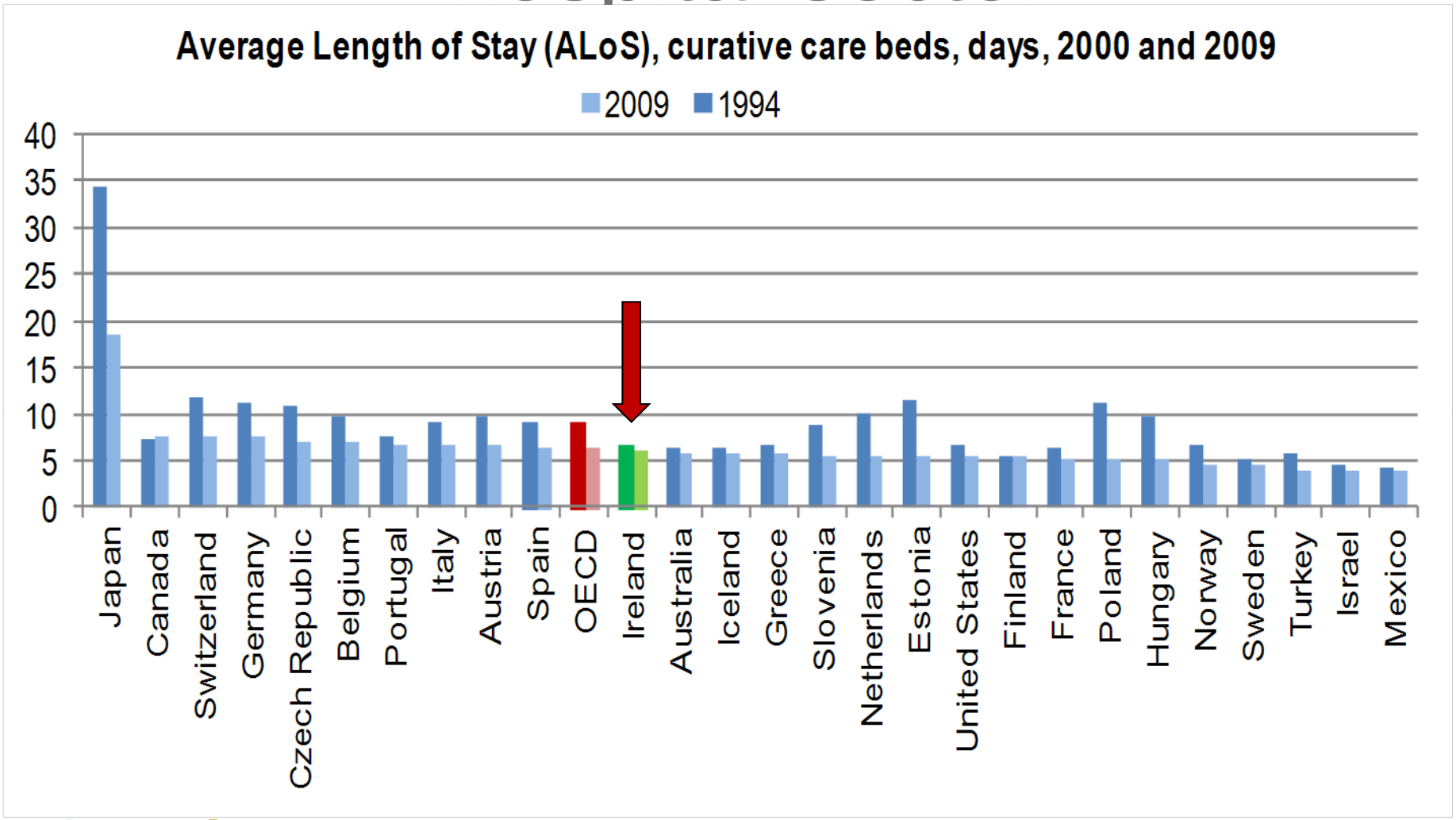
Poor outcomes for chronic conditions



Ireland needs to consider new ways to incentivise primary care

- Current payment mechanisms do not reward *quality* of care
- Many OECD countries experimenting with Pay-for-Performance (P4P)
- Well-designed schemes appear to have the potential to improve performance

Scope for efficiency gains in the hospital sector



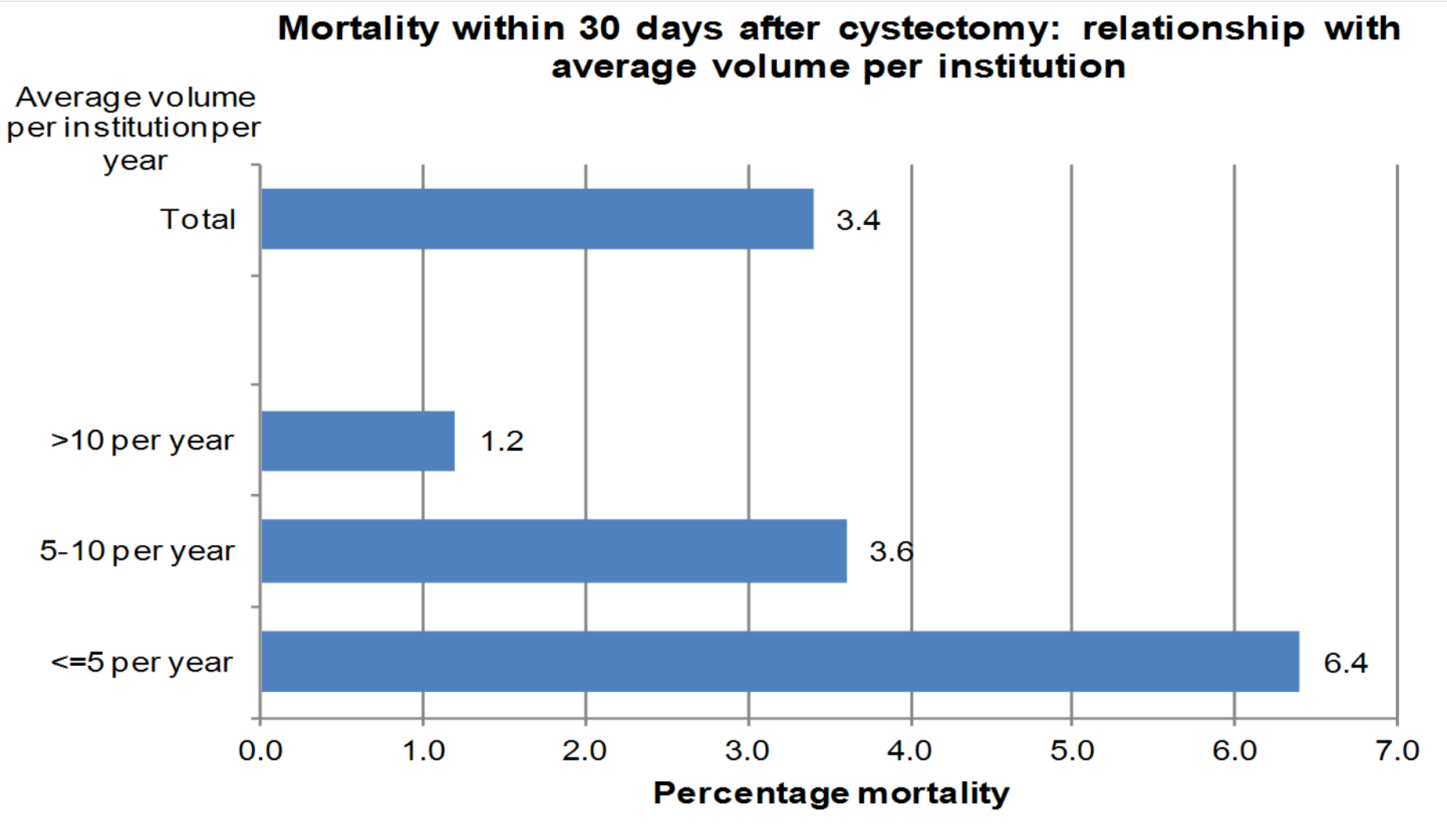
Scope for efficiency gains in the hospital sector

- High density of personnel per bed
- Long waiting times
- High use of acute-care beds for rehabilitation purposes – creates “bed blockers”

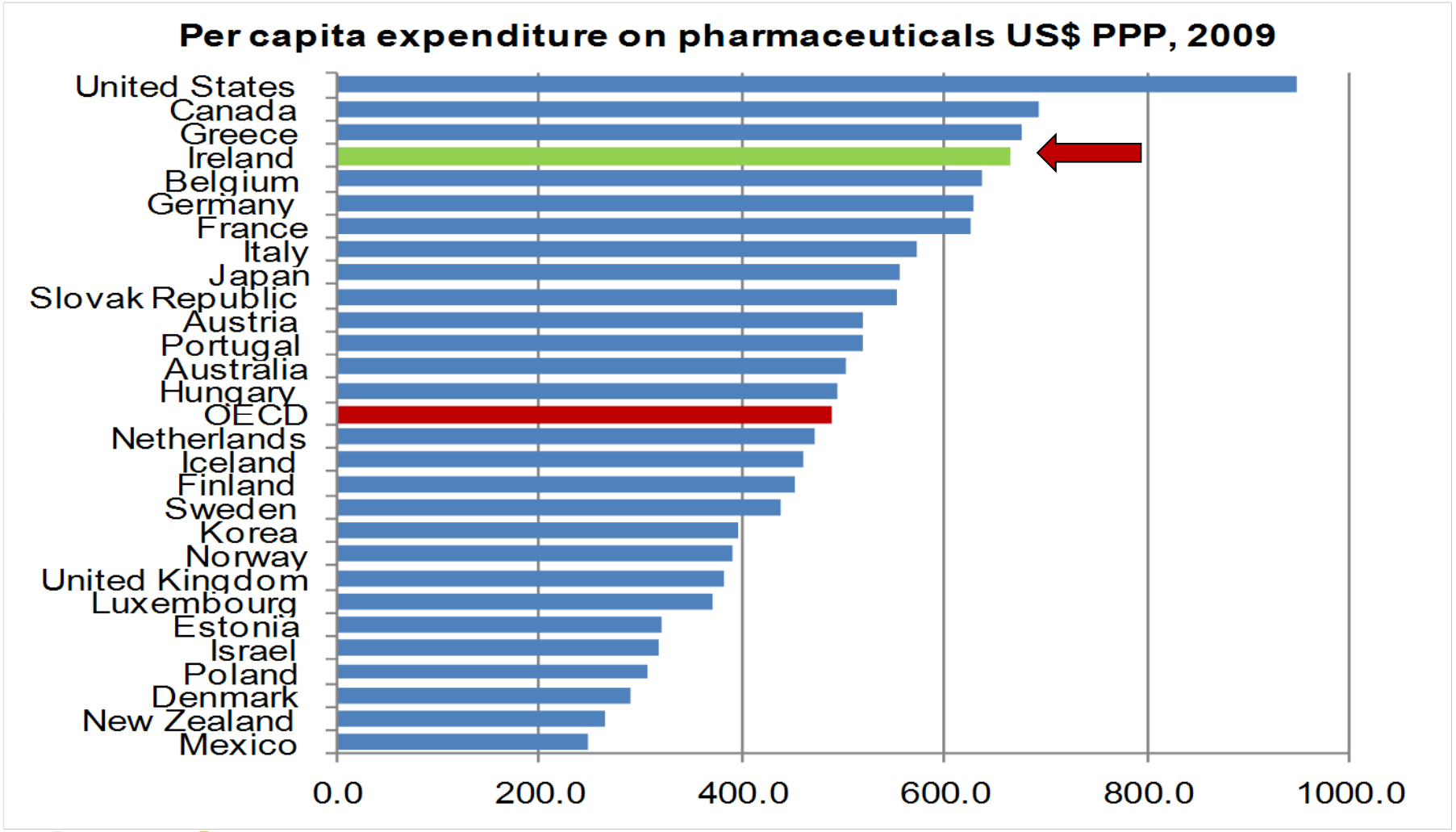
Concentration of hospital services

- Some evidence that concentration improves *quality* of services, but often tied to specific procedures or specialties.
- May also be *efficiency* gains by concentrating *surgical services* in fewer hospitals
- Must be balanced against *access* to hospital services

Evidence from the Netherlands



Pharmaceutical pricing and reimbursement



Develop generics market

- Development of generic markets has potential to increase efficiency in pharmaceutical spending
  - offering cheaper products
  - reallocation of scarce funds to innovative medicines.
- High priority should be given to defining groups of interchangeable drugs
- Incentives for prescribers, pharmacists and consumers

Reference Pricing

- Reference prices used in two-third of OECD countries
- Generally set by reference to prices observed on the market: often at the lowest level, but not always, in order to secure adequate provision of generics.
- Given budget pressures in Ireland, there is a good case that it should opt for the scheme design that maximises potential savings (large groups, lowest possible price).

Proposed Irish Health Reform

- Introduction of a Universal Health Insurance (UHI) system by 2016

- Insurance with a public or private insurer compulsory with insurance payments related to ability to pay

- Competing insurers and risk equalisation

Lessons from Dutch health reforms

- Evolving process – started with Dekker Report in 1990s and LTC now under consideration
- 2006 Health Insurance Act
- Open enrolment - health insurers must compete for customers
- Supply side competition - insurers can selectively contract (or integrate) with health care providers by negotiating on quality and price

Lessons from Dutch health reforms

- New Irish health reforms are clearly moving in the direction of the Dutch system
- Potential to *reduce inequities in access* to health care
- Will they in addition *promote efficiency* by providing incentive to take costs and quality into account ?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Lessons from Dutch health reforms

- Some positive effects: reduction in prices and waiting lists and times; improvement in hospital mortality
- *But* rapid increase in health spending
- Moreover, health care insurers do not appear to be competing on quality of care
- Hence, cannot be said that reform has improved conclusively the efficiency of the system overall

Main messages

- Considerable scope for improved efficiency in Irish health sector
- No single type of system is inherently more efficient than another
- Attempts at large scale reforms have often been costly with limited improvements in health outcomes

Thanks for listening!

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Find lots of data at:

www.oecd.org/health/healthdata