

Paying for the Sláintecare Plan

14th National Health Summit
Croke Park
8th February 2018

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Outline

- Funding mechanisms
- Ireland's health funding
- Sláintecare proposals
- Where will the money come from?
- Considerations

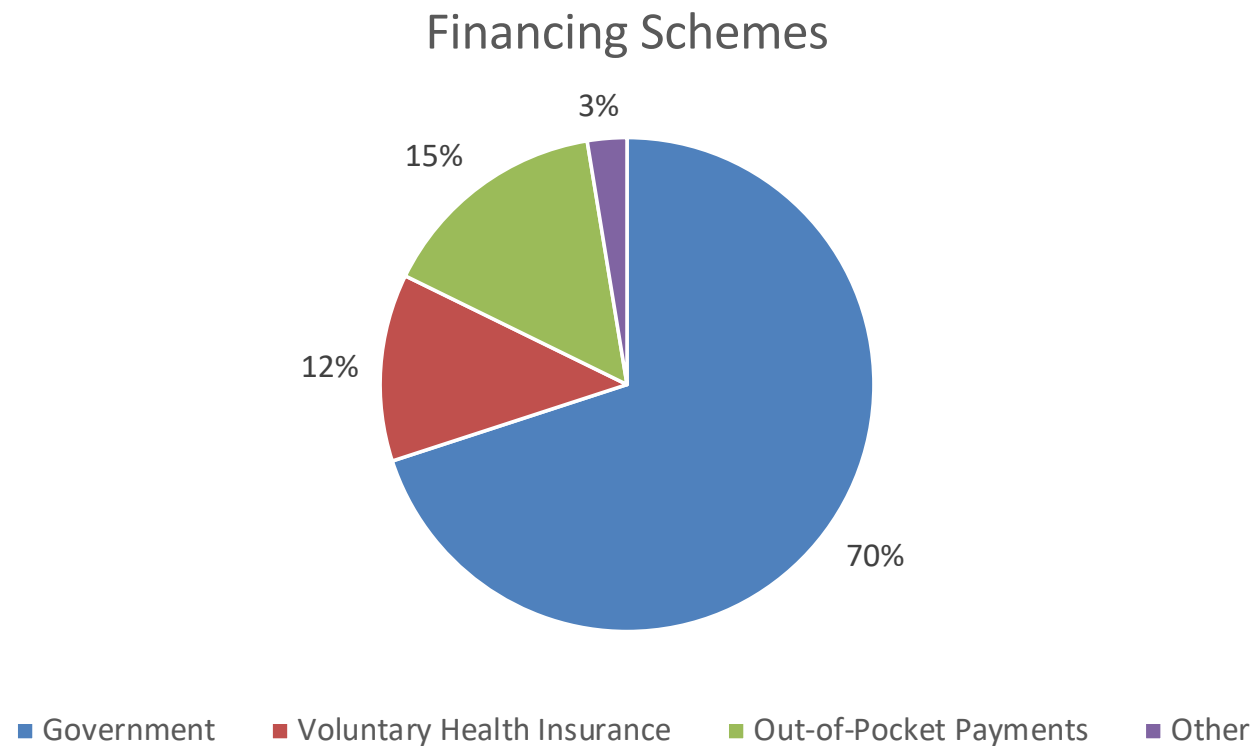
Health Funding Mechanisms

- Public
 - Taxation
 - Social health insurance
- Private
 - Private health insurance
 - Out-of-pocket payments
 - Medical savings accounts
- Progressivity
- Pooling

Ireland's Health Funding

- System of Health Accounts figures for 2015
 - Current health expenditure - €19.9bn
 - Represents 7.8% of GDP or 9.7% of GNI
 - US\$5,275.80 per capita on a PPP basis
 - Additionally, €1.003bn on capital expenditure
 - Of current health expenditure
 - €13.9bn (70%) came from public sources
 - €6bn (30%) came from private sources

Contribution to Health Expenditure in Ireland



Source: Central Statistics Office

Public vs. Private Expenditure

Year	Public Expenditure €m	Private Expenditure €
2008	13,557	3,534
2009	13,748	4,090
2010	13,420	4,197
2011	13,065	4,130
2012	13,410	4,272
2013	13,096	5,680
2014	13,265	5,884
2015	13,896	5,959

Source: CSO

Private Health Insurance

Year	Premium Income €m	Number Insured (million at year-end)
2008	1,561	2.297
2009	1,745	2.260
2010	1,840	2.228
2011	1,938	2.163
2012	2,116	2.099
2013	2,262	2.049
2014	2,316	2.025
2015	2,331	2.122
2016	2,391	2.152

Source: The Health Insurance Authority

User Charges – Cost-Shifting

Year	Prescription Charges	DPS Threshold	A&E Charge	Statutory Bed Charge
2007	N/A	€85	€60	€60
2008	N/A	€90	€66	€66
2009	N/A	€100	€100	€75
2010	€0.50 (€10)	€120	€100	€75
2011	€0.50 (€10)	€120	€100	€75
2012	€0.50 (€10)	€132	€100	€75
2013	€1.50 (€19.50)	€144	€100	€75
2014	€2.50 (€25)	€144	€100	€75
2015	€2.50 (€25)	€144	€100	€75
2016	€2.50 (€25)	€144	€100	€75
2017	€2.50 (€25)*	€144	€100	€80

*Reduced for over-70s to €2.00 (€20)

Healthcare Expenditure by Financing Scheme and Provider, 2015

	Government	Voluntary Health Insurance	Out-of-pocket Payments	Total
Hospitals	35%	77%	5%	35%
Long-Term Residential Facilities	20%	1%	30%	19%
Ambulatory Health Care Providers	20%	3%	38%	20%
<i>Medical Practices</i>	4%	2%	11%	5%
<i>Dental Practices</i>	1%	<1%	17%	3%
<i>Ambulatory Health Care Centres</i>	11%	<1%	1%	8%
Retailers of Medical Goods	14%	n/a	26%	14%
Providers of Health Care System Administration & Financing	1%	16%	0%	3%

Source: CSO

The Sláintecare Report: Highlights

- Key recommendations include:
 - Reduction/removal of charges for public health services
 - Expansion of primary care entitlements and services
 - Expansion of public hospital activity
- Additional costs
 - Extra €2.8bn per annum by Year 10
 - Over and above additional costs arising from medical inflation and demographic pressures
 - Transition fund of €3bn over years 1-6
 - Includes €1.23bn for Renovation and Hospital Bed Capacity

Shift from Private to Public

- Out-of-pocket payments to Taxation
 - Reduce and remove charges - €437.269m by Year 10
 - Universal GP care - €455m by Year 10
 - Universal primary care - €265.6m by Year 10
- Private health insurance to Taxation
 - Replace income for private activity in public hospitals - €649m by Year 10
- In total, these measures account for €1.8bn of the €2.8bn per annum additional spending
- Not a direct one-for-one shift

Setting the Health Budget in Ireland



SHOW ME THE
MONEY!



You had me at 'Hello'...



...Is it me you're
looking for?



If it's three you're looking
for, I'll give you two

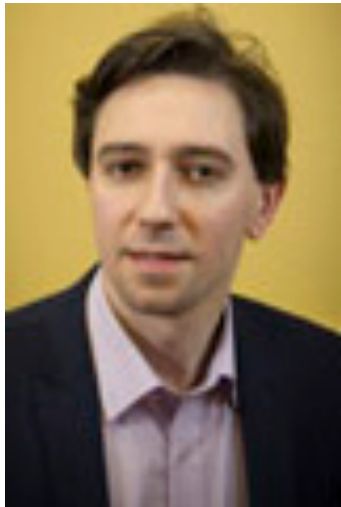


SHOW ME THE
SAVINGS!



Gulp!

The 'Chain of Command'



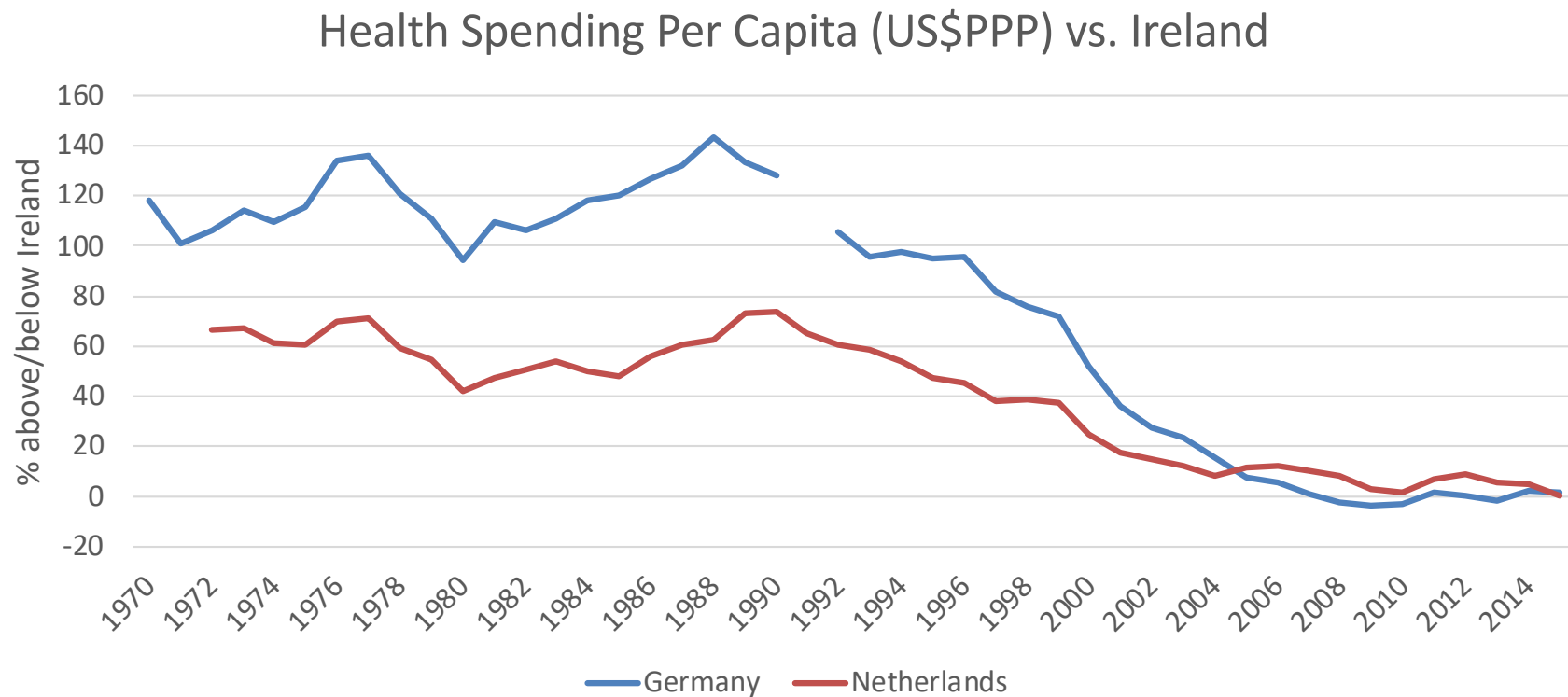
Irish Health Spending in Context

- Per capita spending (in US\$PPP)
- Ireland ranked 7th in OECD in 2015
 - Preliminary figures for 2016 show Ireland gaining one place

Country	Spending	Rank
U.S.	9,507.20	1
Switzerland	7,535.60	2
Luxembourg	6,817.90	3
Norway	6,190.10	4
Germany	5,352.60	5
Netherlands	5,296.70	6
Ireland	5,275.80	7

Source: OECD

History Matters



Source: OECD

Considerations

- Sláintecare proposals will lead to a better health system
 - Will re-balance between public and private
 - Burden of payment
- Significant extra funding required
 - Taxation
 - General vs. ring-fenced
 - Protection against cyclical fluctuations
- We need an honest discussion about funding services
- Process needs to start now – further delays will be costly

QUESTIONS

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