

Planning Ahead for a Sustainable Future

PwC's report on healthcare in Ireland raises some interesting questions for the healthcare industry, reports Laurence Mackin.

Healthcare in Ireland is fighting fires on all fronts, with the Opposition expected to table a vote of no confidence in Minister for Health Mary Harney this week. The Government has attempted to improve healthcare in recent years with increased spending, a trend that can be seen internationally.

Whether this has improved patient care is doubtful, and Ireland is not alone in trying to buy its way out of the problem. Indeed, there is growing evidence that the world's current health systems will be unsustainable if they are not changed in the next 15 years.

In its report, *HealthCast 2020: Creating a Sustainable Future*, PricewaterhouseCoopers (PwC) looks at international responses to the globalisation and convergence of the healthcare industry. The research unearths some innovative examples of what can be done to improve care and take back control of Ireland's health system. "The first lesson for the Irish Government is that they're not on their own," says Dr Donal Landers, Associate Director with PwC. "There are many challenges and common issues that are being confronted by all healthcare systems globally."

The report says that there are seven features crucial to a sustainable health system: a vision and strategy to balance public versus private interest in building infrastructure and providing basic health benefits within societal priorities; better use of technology and the improved transfer of administrative and clinical information; incentive systems to ensure and manage access to care, while supporting accountability; defined and enforced clinical standards; allocating resources to appropriately satisfy competing demands, while providing sufficient access; a climate of innovation; and the expansion of flexible care settings and expanded clinical roles, to provide care that is patient-centric.

The report emphasises that organisations must concentrate on improving their financial position, and, at the same time, patients are realising that they will have to pay for their healthcare.

There is a consensus among medical professionals that "patients will have to contribute to a certain degree to their own healthcare," says Landers. "It may be a more tiered system where everyone contributes towards it in terms of their means."

More than 75 per cent of respondents to the HealthCast survey agreed that financial responsibility should be shared. "Even in systems where healthcare is primarily tax-funded, such as in Europe and Canada, only 20 per cent of respondents favoured [a mostly tax-funded healthcare system]," says the report.

The general Irish population appear willing to pay for healthcare, once they are getting the quality of service they want. "I think some 55 per cent of the population have private health insurance," notes Landers. "The majority have already taken out personal insurance, and there has been quite a shift between pre- and post-Celtic Tiger times. People are voting with their feet, if you like, for the non-critical parts of their care. There is much more consumer focus in healthcare now. People are no longer prepared to wait in acute hospitals and are looking for alternative ways in which they want their health care delivered."

Along with the encouraging attitude of Irish consumers, there are positive international examples for the private healthcare industry here. In 2000, St Goran's became the first acute-care hospital in Sweden, managed by Scandinavian company Capio. The move met with controversy in Sweden, a country with deep-rooted beliefs in solidarity and the welfare state. However, according to PwC, St Goran's is often cited as a "best in class" hospital, with strong patient and employee support.

HealthCast 2020 recommends greater transparency in healthcare, in the form of putting prices on menus, and full disclosure of charges. Dutch hospitals are even more accountable, and are obliged to present their waiting lists on the internet. Taking this a step further would be the creation of league tables for hospitals, which Landers says are a "double-edged sword.

"They are good in one sense, but you have to make sure the benchmarking standards are fair and equitable," he points out. "You could have league tables that haven't taken into account large elderly people cohorts or other demographics in a hospital."

The first independent National Hygiene Services Quality Review was recently published, and painted a grim picture of Irish hospital standards. It found that nearly a fifth of public hospitals in Ireland are failing to meet basic hygiene standards and pose an "immediate and significant threat". Landers says that the publication of this type of information will "improve quality standards and focus those not performing to improve".

It will also provide a straightforward comparison between public and private hospitals. Hospital systems in more than 50 countries surveyed in the report are now creating public/private partnerships to build hospitals and clinics. Here, the National Treatment Purchase Fund is managing waiting lists, with elective procedures that are normally done in public hospitals being outsourced to private hospitals.

The next step would be co-location hospitals, which Landers says are "quite innovative" in an international context. "Their point is to free public beds in public wards, so that work that can be done in private adjacent hospitals is moved out."

One of the main problems with co-location is the fear that the private hospitals will focus on profit skimming, i.e. target patients in need of expensive and high reimbursable care, but the HSE is adamant this will not be the case.

"[The HSE will] apply the case mix model to the co-location hospitals to review and measure their clinical activity," says Landers. "Along with high reimbursement procedure treatments, [co-location hospitals would also have to be] treating long-term elderly care and chronic diseases, for example. The plan is that the co-locations will have a proper mix of patients; they won't be able to cherry pick certain high reimbursed surgical procedures."

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