Irish Nurses and Midwives Organisation
Working Together

SUBMISSION

BY THE

IRISH NURSES & MIDWIVES ORGANISATION

IN RELATION TO

THE GOVERNMENT WHITE PAPER

ON

UNIVERSAL HEALTH INSURANCE

May 2014

1. INTRODUCTION

The Irish Nurses and Midwives Organisation (INMO) has consistently, over many years, argued for the introduction of single tiered health system, in this country. This system would provide the full range of health services, from cradle to grave, with access being solely determined by need and not ability to pay.

The INMO, together with other unions, NGOs and other interested parties, hold the view that our current two-tiered health system is deeply flawed, and inequitable, with speed of access to services being primarily determined by one's ability to pay or hold private health insurance.

The INMO views the current government's stated approach, to fund universal health insurance through a competing private sector insurance model, as being ill thought out, contrary to best practice, potentially perverse and, ultimately, deeply flawed. It is also obvious, even from cursory examination of the experience in the Netherlands, which is repeatedly referred to by government, that their transition, to this competitive insurance system, has not resulted in improved healthcare, efficiency or effectiveness. It certainly has increased costs, created two/three tiered health systems and failed, completely, to realise the earlier stated vision of equitable treatment and access.

The INMO believes that the framework model, contained in the White Paper, has the potential to create perverse incentives, from insurance companies, the rationing of some care, the overuse of other types of care and, ultimately, does not guarantee that the citizens will have access to the full range of required services from birth to grave.

It is also obvious that the entry of private health insurance companies, even on a supposed competitive basis, brings with it the concept of profit, into healthcare. This, undoubtedly, compromises the ability of the health system to fully meet, without question or pressure, the needs of every person presenting for care, intervention or treatment.

2. IRISH HEALTH SERVICE - RECENT EXPERIENCE

The Irish health service has, in recent years, been subject to grossly unfair, unjust, uneven and unmanaged cuts, in terms of funding and other resources. These cuts have, without question, negatively impacted upon patient care, access to services, and the ability of health service staff to provide the highest quality of care.

In the past five years the health service has cut its staffing levels, in an unmanaged way, by over 10%. This has been done, regardless of the impact upon skill mix or frontline practice, with the only criteria being reductions in head with little, or no, regard for patient care.

At the same time health funding has been reduced, by over €3 billion, to just over €12 billion in 2014. This has seen the closure of over 2,000 public beds continued, daily, overcrowding in ED departments and wards and a complete failure to develop early intervention, proactive and health promoting primary care services to provide a meaningful alternative to tertiary care.

However, notwithstanding these draconian, and damaging, measures the government's White Paper, on page 13, states:

"A series of further measures will be introduced over the next few years, prior to the introduction of UHI, which will provide demonstrable evidence of lower costs and enhanced productivity and efficiency in both the public and private health systems".

This suggests that the health system in this country, in 2019 when UHI is to be introduced, will be further contracted, despite our very challenging demography, and this will render the system totally unfit for purpose. The White Paper fails completely to identify how a health system, that has already been the subject of eight years of contraction and rationing could then possibly deliver the quantum, let alone the quality, of health service that would be required by the citizens of Ireland in 2019 and the years that follow.

3. POSSIBLE FUNDING OPTIONS

It is generally agreed that there are four options from which health services can be funded as follows:

(i) ***General Taxation***
This system, which is sometimes known as the "Beverage Model" and is perhaps best exemplified by the UK's National Health Service, involves funding provided and financed, by government, through national taxation.

(ii) ***Social Insurance Model***
This funding option, frequently referred to as the "Bismarck Model" involves the establishment of social insurance funds, financed jointly by employers, employees and the state.

This social insurance type model currently exists in Germany, France, Belgium, Japan, Switzerland with all of the funds being of a non-profit nature. It is worth noting that the World Health Organisation (WHO) has rated the French and Japanese social insurance model as being best practice models for positive health outcomes and for the delivery of effective and equitable healthcare.

(iii) ***National Health Insurance Model***
This model involves a combination of funding streams, mixing the general taxation and social insurance model, involving the provision, by private sector providers, of structures through government run insurance programmes.

The national health insurance model is currently found in Canada and Australia. It is worth noting that the legislation, setting out the criteria and conditions for the delivery and funding of healthcare by provincial governments, in Canada, provides for an annual increase in funding of 6% stipulating a universal, comprehensive and rights based healthcare system.

(iv) ***Private Health Insurance***

In this model healthcare is provided, through private health insurance, in what is largely a private market for healthcare. The most often referred to model, under this heading, is the one operated in the USA.

However it should also be noted that an element of this model exists in Ireland where up to 50% of the population hold private health insurance in addition to their entitlement under the public health system.

4. THE DUTCH MODEL

The government has, since coming into office, consistently lauded the health insurance model, introduced in the Netherlands, stating it has delivered improved services in a country similar to Ireland.

However a closer examination of the Dutch experience would suggest that far from establishing, and maintaining, a universally equitable health system it has, without doubt, created funding problems, two tiered structures and not delivered efficiency and effectiveness despite the introduction of the concept of profit.

A simple comparison would confirm that, since 2009, annual premium costs have increased, in the Netherlands, by over 40% and certain packages of care have been reduced in order to cut costs.

It is also a fact that, as costs rise and services are removed, the requirement for ordinary citizens to take out complementary packages, at an additional cost, continues to increase. An example of this is that dental and physiotherapy services are now only available, through complementary packages, and are not covered in the standard package available to all.

There is no evidence to suggest, in researching the Dutch model, that it will lead to any better results in Ireland notwithstanding any measure one would wish to apply. Therefore, the government must immediately rethink its approach to replicating the Dutch experience in Ireland as we move towards a single tiered universally accessible healthcare system.

5. HEALTHCARE FUNDING - IRELAND

In order to have an honest and forthright debate, about the funding of the Irish healthcare system, all parties need to acknowledge that our health system is currently grossly underfunded. The constant criticism of our healthcare system, that it is over budget, has created a perception, not supported by

facts, that we have a health system which is inefficient, ineffective, over manned and unresponsive to patient need.

The current Irish healthcare system, while underfunded and understaffed, continues to provide many excellent services and, once admitted to the system, patient outcomes are generally good and patient satisfaction generally high.

The fundamental flaws, with the healthcare in this country, can be summarised as being:

- a total inadequate primary care service resulting in people having to use secondary services, resulting in overcrowding, as they have no alternative;

- inadequate bed and system capacity, to meet demand, resulting in overcrowding, unacceptable waiting times for treatment and early discharge without their being proper, after discharge, supports and interventions; and

- the fundamentally flawed, and deeply inequitable, reality that, in Ireland, money (or a private health insurance policy) can give you quicker access to services (not necessarily better services) leading to a situation where lower income citizens are treated in a deeply unfair manner.

The establishment of a single tier, quality assured and universally accessible healthcare system will require significant additional resources, in terms of finance, staffing and infrastructure, and not the contraction and cuts which have been imposed over the past six years and are promised for the next three.

If we are to have a healthcare system, where access is determined by need and guaranteed to be speedy, then we must have a much wider, broader structure where diagnostics, day procedures, in-patient procedures, all underpinned by strong investment in health education and promotion programmes, are accessible whether one lives in an urban or rural environment.

In addition we require sustained investment in services, for the older person, due to our unique demographic which is going to see a dramatic increase, in over 65s, over the next 20 years.

The government's White Paper makes no mention, or outlines no plans, as to how one is going to fund a health system, under an insurance model, capable of creating this infrastructure, guaranteeing this funding and ensuring the best possible outcome for patients/clients.

6. WHITE PAPER - UNANSWERED QUESTIONS

In its White Paper the government poses the question:

"When considering funding arrangements, two key questions arise:

Firstly, what will the overall cost of UHI be? and
Secondly, how much will people pay for insurance premiums?"

However no answers are given to these pivotal questions thus minimising the level of informed debate that can take place arising from this White Paper.

Furthermore the White Paper fails to detail what basket of services will be covered, for all citizens, and what services will require the purchase, by the individual, of complementary/secondary packages. This is again pivotal to any informed debate as minimal cover, in the universal basket, will only create a two-tiered system by another name.

In addition another question must be posed, and answered, prior to an informed debate taking place on this matter. We must establish how this proposed model would, in the first instance, address the capacity issues which exist currently and which are likely to deteriorate. We must be shown how this model will facilitate investment in infrastructure and resources to ensure that our health system has the capacity to deliver the required service in a timely fashion.

It is incumbent upon the government, before we proceed any further in this pivotal debate about our health system, that it provides answers to these questions in an honest, open and comprehensive manner.

7. CONCLUSION

The reality is that our current fragmented system of health provision, linked to regressive tax relief for health expenditure and overshadowed by private health insurance, has not worked and has only reinforced health and wider social inequalities. This White Paper suggests that this flawed model is to be replaced by a model of universal, compulsory, private health insurance with no clarity in what is to be insured, how it is to be funded and who will benefit.

The experience of the Netherlands does not provide any comfort that the funding model introduced there, eight years ago, is the answer to our difficulties, in this country, and will lead to greater equity and sustainability.

The INMO agrees that the funding of our healthcare system requires fundamental reform. The Organisation believes this reform must lead to a *social insurance* model which guarantees, to every citizen regardless of their status or income, access to all healthcare services without preconditions, without complementary packages, without additional, add-on, costs and without the presence, in any shape or form, of profit from private sector

providers. In that context we believe that the current model partially explained, in this White Paper, is not suitable for Ireland. We believe it will not address the current problems with the health system, which are of size, access and structure, and will not deliver a quality assured, sustainable and transparent service into the future.

The ultimate realisation of a single tiered system, that delivers a fair and efficient health service, is best achieved through a publicly funded model, subject to appropriate accountability and control in the public interest. The government must re-think its current policy, in order to realise this vision, and the current White Paper does not provide a sustainable way forward.

Healthcare is a social good, and a human right, which, if provided in a quality assured way, brings societal, communal and economic good to a nation. A properly funded health system, which is required to be accountable, productive and efficient, must also be transparent, must guarantee equity and must guarantee world-class outcomes.

This is realisable in this country, via a social insurance model, without competition from private sector providers and without rationing that the pursuit of profit always brings.

We support the need for a public debate on the funding of our health service. However we do not believe the model, suggested in the White Paper, will deliver the fair health system the people of this country need and deserve.