

# FairCare

---

February 2011

---

[www.FineGael.ie](http://www.FineGael.ie)



**FINE GAEL**

Let's Get Ireland Working

Fair and Efficient Healthcare for All .....	3
The Road to UHI.....	5
Phase 1 (2011-14): Reforming the current system .....	5
1. Reducing Waiting Lists.....	5
2. Protecting Patient Safety and Quality .....	6
3. IT Follows the Patient.....	6
4. Spending Reform .....	7
5. Reform of Primary Care.....	10
6. Reform of Mental Health Services .....	11
7. Reform of Care Services .....	13
8. Reform of Child Care & Protection Services .....	13
9. Reform of the Insurance System.....	16
Phase 2 (2014-15): Changing how hospitals work .....	16
1. Breaking-Up the HSE .....	17
2. Empowering Local Hospitals.....	17
Phase 3 (2016-20): Universal Health Insurance .....	19
1. Fine Gael versus Fianna Fail.....	20
2. Fine Gael versus Labour .....	20

## Fair and Efficient Healthcare for All

Fine Gael's *FairCare* plan is the most ambitious programme for health service reform since the establishment of the state, and is a key part of our Five Point Plan to Get Ireland Working. It is designed to reduce costs, increase access and make the system fairer. It will dismantle the dysfunctional Health Service Executive (HSE) that was created by Micheál Martin in 2004, and end the efforts of Fianna Fail and Mary Harney to privatise the health system by favouring private over public care.

In November 2004 Mary Harney stated:

*“(There are) two ways Government policy should be judged: better outcomes for patients and better value for taxpayers’ money.”*

The Government's health strategy stands condemned by Mary Harney's own words. The HSE has failed completely to deliver better standards and has wasted billions.

- In 2001 Micheál Martin promised that he would end hospital waiting lists by 2004, i.e. no person would wait more than three months for treatment. In November 2010 over 19,000 patients were waiting more than three months.
- In 2006 Mary Harney declared that the huge number of people on trolleys should be treated as a “national emergency”. In January 2011 the number of people waiting on trolleys reached an all-time record high of 569, with even Mary Harney accepting that the situation was “unacceptable”.
- Between 1997 and 2009 Irish spending on health more than quadrupled. Ireland's spending per capita on health is in line with Germany, France and Sweden, countries which are normally regarded as high spenders. But Ireland is ranked only 24<sup>th</sup> in Europe for value for money. The only reason the system works at all is the sheer dedication and professionalism of so many of its staff.

Despite the utterly dismal record of the HSE Micheál Martin believes that the HSE doesn't need radical reform. Fine Gael completely disagrees. Ireland's fiscal crisis, which was caused by the recklessness and cronyism of the Fianna Fail party, has made healthcare reform

absolutely vital. Unless we change fundamentally the way services are delivered a broken health service, allied to broken banking system, is going to bankrupt our country. Ireland has one of the youngest populations in Europe. Without reform, spending on health will, according to the VHI, need to increase to €37 billion by 2020 to meet greater demand from an ageing population. Ireland's tax take now is only €33 billion.

Fine Gael will establish a system of Universal Health Insurance (UHI) based on the very efficient Dutch model – but adapted to Irish circumstances. The Netherlands is ranked 4<sup>th</sup> in Europe for value for money and 1<sup>st</sup> for quality. We will maintain the VHI under state ownership to provide a “public option” under UHI, but ensure that the VHI is slimmed down considerably so that it does not have a position of market dominance. Once UHI is introduced, the unfair and inefficient two-tier health system in Ireland will disappear.

Fine Gael at this election is seeking a clear mandate from the Irish people for its Five Point Plan to Get Ireland Working. Radical healthcare reform is a key element of this plan. Our goal is clear: We want to create a healthcare system where:

- All patients are treated the same and frontline professionals are given as much freedom and responsibility as possible;
- Real value for money is generated and savings/cuts are targeted primarily from administration and the back office;
- Timely access becomes the norm rather than the exception and each patient is treated at the lowest level of complexity that is safe, timely and efficient;
- Quality is put at the centre of the healthcare system; and
- Choice for patients is a core value.

## **The Road to UHI**

In our original report on FairCare, launched in April 2009, we stated that UHI will be delivered in the fifth year of a Fine Gael Government. That remains our timetable. We will introduce UHI in 2016 at which point the HSE will effectively disappear. It will then take another five years for the new system to bed down fully. We fully recognise that changing the health system is a very complicated process and, for that reason, FairCare is divided into three distinct phases. We will not rush reform and repeat the mistake of Micheál Martin in 2004 when he created a HSE that was dysfunctional from Day 1. But nor will we allow any stakeholder to derail our plan if, as we hope, we receive a mandate from the Irish people for reform.

### **Phase 1 (2011-14): Reforming the current system**

In the first phase of FairCare Fine Gael will radically reform the way in which the current system works. In order to meet our deficit targets for 2014 and free-up resources for investment in priority areas, Fine Gael has identified over €1 billion of savings by 2014. Our reforms will make the current system fairer, more efficient and better prepare it for the introduction of UHI in 2016. The so-called “Cinderella services” - mental health, disability, long term care and child care and protection – will be given a stronger voice in the health system.

#### **1. Reducing Waiting Lists**

A Fine Gael Government will establish within its first 100 days a Special Delivery Unit (SDU), based on the successful Northern Ireland initiative, in the Department of Health and Children. The SDU will answer directly to the Minister for Health and will be charged with overseeing plans to end existing long waiting lists. One of the key drivers of change in Northern Ireland was direct Ministerial involvement. The Minister was involved at every step of the reform process, with weekly and sometimes daily briefings on individual hospitals and departments, supplied by a real-time IT system. In the Republic, by contrast, the establishment of the HSE has isolated and insulated the Minister of Health from what is

happening in hospitals on a daily basis. Fine Gael will place responsibility for the health service back where it belongs – with the Minister.

## 2. Protecting Patient Safety and Quality

Our health services have been mired in a series of unacceptable scandals over the last few years. It is clear that the current system is simply not responding to the complaints and concerns of our citizens. A Fine Gael Government will establish a dedicated, independent Patient Safety Authority (PSA) which will incorporate the Health Information and Quality Authority. The PSA will:

- Provide patients with a safe, independent place to go to with their complaints;
- Act as a patient advocate; and
- Ensure that investigations into failures of patient safety take place when and where appropriate.

## 3. IT Follows the Patient

The SDU will be a key part of our strategy to drive through an aggressive Information Technology (IT) strategy for the health sector that will reduce costs, increase safety and give patients more control over how they are treated. We have looked at how other health systems, such as Sao Paolo in Brazil and the Veterans Administration in the US, have significantly increased efficiency through the proper use of IT. The SDU will work directly with a new IT agency for all of the public sector in order to ensure that projects are implemented on time and on budget. The HSE's track-record on IT to date is very poor.

The SDU will help implement an IT programme which we call *IT Follows the Patient*. The current model of IT is facility centric, i.e., it is focused on hospitals, GPs and other healthcare providers rather than the patient. Fine Gael wants to create a Personal Health Record (PHR) IT system that will have the patient at its centre. The system will work with or be fed from existing systems – GP records, Chronic Disease Registries, Hospital-based systems.

We fully recognise that our proposed IT system cannot work unless patients have complete confidence that their private data is 100% safe and secure. Under our proposed architecture all information relevant to a patient will be stored in a secure location, under the patient's own control. The system will be designed so that patients can control how much access healthcare professionals can have to their medical information.

We believe the potential benefits of this approach are huge:

- The PHR will contain basic information – age, sex, allergies, etc. reducing the need for wasteful form filling and data entry.
- It will allow simple tasks, like re-filling a prescription, to be done quickly and cheaply.
- Patients who grant emergency service providers with access to their PHR will potentially avoid unnecessary risks and delays.
- Patients at home who are using heart monitors, blood pressure devices, diabetes readings, etc., can feed their readings directly into the system.
- Above all the PHR will allow for much better integration between primary care and hospital care.

Fine Gael has set aside a dedicated €30 million annually to help fund this strategy.

## 4. Spending Reform

Fine Gael believes that two things must be done with spending on health:

First, it needs to be reduced in a way that protects front-line services, with extra investment for care services which have been ignored for far too long; and

Second, key areas such as IT and primary care will need some focused investment in order to ensure that they can play a key role in health.

A Fine Gael Government will by 2014:

- **Make €1.1 billion of savings in health which will be used to support deficit reduction.**
- **Set aside annually €150 million to support its ambitious primary care strategy.** This figure has been included in our four year fiscal plan and will be funded from savings outside the health system.

- **Set aside €115 million, to be funded from savings in other parts of the health system, to back-up key initiatives in IT, mental health, long term care and childcare.**

To fund these commitments a Fine Gael Government will by 2014:

- **Reduce headcount (€480 million in savings):** Fine Gael will reduce HSE staff numbers by 8,000 through a combination of natural retirement (6,000) and voluntary redundancies (2,000). All voluntary redundancies will focus on back office functions. No compulsory redundancies will be required.
- **Cut waste and inefficiency (€160 million):** Significant savings will be found by reducing the cost of agency staff, taxis, absenteeism and non-core pay such as overtime and allowances.
- **Reduce the cost of drugs (€185 million):** through a combination of initiatives, including the introduction of reference pricing.
- **Get savings on the capital budget (€25 million):** Fine Gael believes that substantial savings are possible given the huge drop in tender prices across the economy.
- **Lower spending on procurement (€100 million):** Fine Gael will merge the National Development Finance Agency (NDFA) into the Office of Public Works to become an Office of Government Procurement and Property (OGPP). Its mandate will be to achieve major cost reductions in procurement across all Departments, including Health. The health system's PPARS financial system began life in 1998 as a €9m 2-year project, but after spending €200m was still not operational by 2006.
- **Halt NTPF (National Treatment Purchase Fund) spending by 2014 (€85 million):** The NTPF in its current form will no longer be required once MFTP is introduced.
- **Improve efficiency through Money Follows the Patient (€80 million):** Full savings from this will take a couple of years to materialise. We assume, therefore, only very modest savings in 2014. Over the longer term we believe that savings of up to 10% of hospital budgets are possible.



- **Make savings by transferring more chronic disease management from hospitals to primary care (€65 million):** The number of adults with chronic conditions is expected to increase by about 40% by 2020, placing a huge burden on the Irish health service. Once again we have assumed, as with MFTP, reasonably modest savings by 2014. Over the longer term savings of several hundred million annually are possible.
- **Reduce the cost of consultant care (€60 million).**

Figure 1: Saving and spending commitments by 2014

<b>USE OF FUNDS</b>	<b>(€ Millions)</b>
<b>1. Savings required to meet fiscal plan targets</b>	<b>1,100</b>
<b>2. Specific spending commitments on care services and IT</b>	<b>115</b>
<i>of which:</i>	
<i>Long Term Care</i>	<i>40</i>
<i>Mental Health</i>	<i>35</i>
<i>Child Care</i>	<i>10</i>
<i>IT Follows the Patient</i>	<i>30</i>
<b>3. Abolition of prescription charges for medical card holders</b>	<b>25</b>
<b>TOTAL *</b>	<b>1,240</b>
<i>* Does not include the €150 million fund for Primary Care which is financed separately</i>	
<b>SOURCE OF FUNDS</b>	
<b>1. Headcount savings</b>	<b>480</b>
<i>6,000 natural retirement; 2,000 voluntary redundancies</i>	
<b>2. Cost reduction measures on overtime, agency staff, etc.</b>	<b>160</b>
<b>3. Savings in drug costs</b>	<b>185</b>
<b>4. Savings on capital investment</b>	<b>25</b>
<b>5. Procurement savings</b>	<b>100</b>
<b>6. Ending dedicated NTPF funding</b>	<b>85</b>
<b>7. Savings from MFTP</b>	<b>80</b>
<b>8. Savings from community care initiatives</b>	<b>65</b>
<b>9. Reducing the cost of consultant care</b>	<b>60</b>
<b>TOTAL</b>	<b>1,240</b>

## 5. Reform of Primary Care

A Fine Gael Government will ensure that more people are treated through primary care in the community - especially those with chronic illnesses.

- Up to 100,000 patients per day attend GP surgeries. By contrast, only 3,500 patients per day attend A&E. If we could increase the number of patients attending their GP by just 1%, by switching them from A&E to the primary sector, we could reduce A&E numbers by up to a third.
- About 60% of hospital bed days are related to chronic care and related complications. International best practice suggests that Ireland could reduce its overall spending on chronic patients by several hundred million Euro every year by shifting more chronic patients over to primary care. The SPHERE study in Ireland has confirmed that significant reductions in hospital admissions can be achieved through Chronic Disease Management in the Community.<sup>1</sup>

Fine Gael recognises that this transformation in primary care can only occur if:

- There is a properly functioning IT system that can allow hospitals and GPs to share the care and management of chronic patients in a safe and cost effective way (see above); and
- Additional capacity is created in the primary care sector.

Fine Gael wants to see a network of purpose built Primary Care Centres delivered by the end of our first term in Government. These new centres will cater for the chronically ill and those with mental health issues, as well as patients needing X-rays, blood tests or treatment for minor accidents or illnesses. Government efforts to date to increase the number of such centres have proved very unsuccessful.

---

<sup>1</sup> A Fine Government will, as a matter of priority, implement the bulk of the recommendations of the 2005 National Taskforce on Obesity. It is clear that obesity is reaching epidemic proportions in Ireland and contributing hugely to the rise in chronic diseases such as diabetes.

A Fine Gael Government will:

- **Conduct a full review in its first 100 days to ascertain the true state of the Government's strategy for increasing the number of primary care centres/teams.** We are concerned that the Government has been exaggerating the effectiveness of its strategy. Once this review is conducted we will set out our targets and strategy for increasing the number of primary care centres.
- **Set aside by 2014 €150 million on an annual basis to support its primary care strategy.** This figure has been fully accounted for in our fiscal plan for 2014. It is our intention that primary care centres will be financed, in the first place, by primary care providers in the knowledge that the number of patients in the primary care centres will increase over the next few years as part of Fine Gael's strategy. However, a Fine Gael Government will be prepared, if required, to offer additional support through certain leasing arrangements and, in very limited cases, through direct investment in primary care centres.
- **Fine Gael will open up the GMS contract to all suitably qualified doctors to increase competition and reduce costs.** The GMS contract will also be re-negotiated as part of our strategy to get more chronic patients treated in the community.

## 6. Reform of Mental Health Services

Fine Gael wants to treat mental health similarly to other medical services. The stigma attached to mental illness must be tackled head-on.

In January 2006 the Government published *A Vision for Change* which set out their plan to transform mental health services in Ireland. Just over five years since its publication progress on implementation remains painfully slow. Successive Independent Monitoring Group Reports have criticised the Government for its failure with regards to mental health. The collapse in the Irish property market has also rendered the Government's promise to ring-fence receipts from the sale of psychiatric institutions and lands largely meaningless, at least for the foreseeable future.

Taking into account the changed fiscal circumstances a Fine Gael Government will:

- **Set aside by 2014 an additional €35 million annually to support its mental health strategy.** The SDU will be asked to identify hospitals where conditions of care are unacceptable, and draw up plans for their orderly wind down and the transfer of staff to more appropriate settings in the community. The SDU will work with providers of mental health services to monitor progress on the implementation of this programme.
- **Place an increasing proportion of mental health services in primary care centres.** This will help remove any stigma from accessing mental health services in the community.
- **Suicide Prevention.** Fine Gael is committed to implementing *Reach Out*, the National Suicide Prevention Strategy.
- **Strengthen GP education and training in mental health so that GPs are better equipped to assess diagnose, treat and refer to specialist services as necessary.**
- **Develop specific strategies for elderly patients.**
  - We believe that as existing or former long stay patients reach old age their needs should be met under the umbrella of services for older people, i.e., either in public or private nursing homes. We recognise that, in the case of existing patients, this can only happen after intensive rehabilitation to undo the worst aspects of the harm caused by institutionalisation.
  - Those long stay intellectually disabled persons who remain under the care of the mental health service, whether in long stay hospital wards or community residences, will be brought under the ambit of the Intellectual Disability Services which will be regulated and inspected by the PSA.

Fine Gael will also introduce a number of changes to the way in which mental health is managed as part of its Phase 2 and 3 reforms:

- **Phase 2:** Over the last few years the HSE has used money that was allocated for care services, including mental health, to plug gaps in its core budget. Fine Gael's separation of "care" and "cure" services will prevent this happening in the future.

- **Phase 3:** Mental health services will be included in the standard UHI insurance package. This package will include mental health assessment, access to a range of mental health therapies and in-patient services where necessary.

## 7. Reform of Care Services

Fine Gael believes that long term care needs greater focus for two key reasons:

First, we believe as a matter of principle that as many of our elderly citizens as possible should live in their own homes and communities for as long as they can.

Second, improved long term care could have a major impact on hospital congestion. HSE figures for December 2010 show that 570 beds were unavailable because of delayed discharges of patients who had finished their acute phase of treatment, and were now in need of alternative post acute care.

A Fine Gael Government will:

- **Set aside by 2014 €40 million annually to purchase nursing home beds, with associated facilities such as occupational therapy, physiotherapy and speech and language therapy, for delayed discharge patients.** This will accelerate the passage of these patients through the hospital system and allow them to continue their recovery in the community closer to their loved ones.
- **Develop and implement National Standards for Home Support and Home Help Services which are subject to inspection by the PSA.** Fine Gael strongly supports the Home Care Package Scheme. However, it has been poorly implemented and unfairly managed, as evidenced by the National Economic and Social Forum (NESF) Report<sup>2</sup>. We will introduce national guidelines on the implementation of the scheme.

## 8. Reform of Child Care & Protection Services

It is a basic duty of society to protect its most vulnerable, and in particular, its children. It is abundantly clear that the state has failed to discharge its particular duty to protect children,

---

<sup>2</sup> Implementation of the Home Care Package Scheme, National Economic & Social Forum, September 2009

given its dreadful record in covering up the child abuse that occurred in state-funded residential institutions. It also failed for far too long to deal with the abuse committed by religious institutions on the most vulnerable children.

There is now an opportunity to transform the approach of the Irish state to one that is child centred. To achieve this Fine Gael believes that fundamental reform of the child care and protection services is essential.

- Fine Gael is committed to holding a constitutional referendum in an effort to ensure that children's rights are acknowledged and protected in the fundamental legal text upon which our state is built.
- We intend to make the minister who is in charge of children directly responsible for child care and protection services, and remove these services from the HSE. We will create a new dedicated agency called the Child Welfare and Protection Agency (CWPA), whose exclusive function will be to deliver child welfare and protection services. The functions given to the HSE under the Child Care Acts and the Adoption Act 2010 will be exercised by the CWPA.
- In order to increase accountability the CEO of the CWPA will be required to sign a public service agreement detailing his/her responsibilities. Fine Gael estimates that, if elected to Government, it can deliver this reform within 18 months of entering office.

The current child protection system lacks an overall model of service delivery. Based on international best practice, Fine Gael will introduce a Differential Response Model (DRM) of child protection, based on that operating in the US state of Minnesota, New Zealand and New South Wales. While this model is relatively new, initial research findings are very positive.

DRM divides families into two groups:

- Families where there are child welfare concerns which warrant an early intervention and supportive approach. This category will be dealt with by the CWPA in cooperation with appropriate community based organisations, who are commissioned by the statutory agencies to provide family support at an early stage. Many of these community organisations already exist, such as Barnardos, Family Resource Centres

and St Vincent de Paul. However, there needs to be enhanced co-ordination while thresholds for intervention need to be clearly identified; and

- Families where there are serious concerns of a child protection nature that require investigation and possible judicial intervention. This work will be exclusively undertaken by the CWPA.

For this system to work there will need to be an overhaul of resource distribution across Local Health Office areas so that resources are allocated properly according to need.

A Fine Gael Government will also:

- Ensure that no social worker will engage in unsupervised front-line child protection work unless they have a minimum of 2 years experience.
- Provide absolute protection for whistleblowers.
- Require the monthly publication of up to date figures on the number of children who are in care, in emergency care or missing from the care system.
- Put *Children First* on a statutory footing (including a transitional period involving suspension of penalties for non-reporting for certain professionals for 3-5 years until the reformed structure is in place and is capable of responding to referrals).
- Require all professionals working with children to pass an exam on *Children First* before they are “licensed” to work with children – this exam will be required of judges, solicitors, teachers and gardaí whose primary role is working with children and social workers.
- Fine Gael recognises the important role played by the Children’s Ombudsman and supports the continuing exercise of the statutory functions of the Ombudsman, including the power to investigate any matter of concern that arises in the area of children’s care.
- Make it obligatory for social workers to co-operate in investigations and ensure that social workers cannot prevent full publication of a report where it is in the interest of child welfare. Fine Gael will ensure that child identity confidentiality is preserved to

protect the welfare of children. However, we will not allow the confidentiality principle to be used as a barrier to the transparency required in the public interest.

- Introduce statutory intervention deadlines in respect of child abuse allegations and child welfare concerns.

## **9. Reform of the Insurance System**

Fine Gael will introduce a system of risk equalisation to ensure that the Irish insurance market works more effectively. We will also enter discussions with the insurers to see how cover for GP care can be extended by the insurers to their clients at reasonable cost.

Once UHI is introduced the insurance market will double in size. This will attract new entrants, increasing competition and driving down costs. Recent reforms in the Netherlands have resulted in insurance premiums 7% lower than would have been the case otherwise (*Irish Medical Times*, 2 October 2009). Fine Gael recognises that the way in which insurance companies currently work in Ireland will have to change radically under UHI.

As part of our UHI reforms, a Fine Gael Government will maintain the VHI in state control as a “public option” for customers. However, we believe it should be slimmed down considerably so that it no longer has a dominant market position.

## **Phase 2 (2014-15): Changing how hospitals work**

Health systems around the world are moving to a system where purchasers of healthcare (the state for the most part in Ireland) are separated from the providers of healthcare (e.g., the hospitals). Under the current system of fixed budgets each additional patient is effectively a “cost” to the health service, and reduces the overall pot of money available for other patients and services. Hospitals are basically penalised for treating more patients. In other words, the current system is actually based around a system of “perverse incentives”.

Fine Gael plans to introduce a very different system. Instead of the state giving over block grants to hospitals each year, it will pay them only for the number of patients they treat. In other words it will create incentives for hospitals to treat more patients, with key conditions built-in to the contracts to maintain quality. This system, which is known as *Money Follows*



*the Patient* (MFTP), has been shown to improve productivity by between 5% and 10%, depending on how and where it is implemented.

## 1. Breaking-Up the HSE

In order to implement MFTP, and as part of the move to UHI, Fine Gael will break-up the HSE into two “commissioning agencies” which will purchase services from providers in two very different areas:

- **A Care Services Authority (CSA) will procure and manage long term “care services” on behalf of the state for the elderly, the disabled, etc.** It will continue to operate as a state agency when UHI is introduced.<sup>3</sup> One of the major advantages of separating “cure” for “care” is that money for care services cannot be siphoned off into the cure sector, as happened over the last few years. The funding for care services is effectively ring-fenced.
- **A Healthcare Commissioning Authority (HCA) will be established on a transitional basis to purchase “cure services” from local hospitals.** Once UHI is introduced the HCA will cease to function and the majority of the people it employs will instead be employed directly by the hospitals.

Professionals whose work is not directly related to hospitals will have their employment contracts switched to the CSA. Fairness and respect for employment conditions will be central to this transition and will be negotiated with trade unions.

## 2. Empowering Local Hospitals

Under *FairCare* individual or networks of hospitals will be managed by hospital trusts, where patients, staff and members of the local community have a real say in the services delivered and in the development of the hospital. Current Government policy is to strip local hospitals of many of their services, and centralise them in under-resourced regional centres that are unable to cope with the additional patient flow. By contrast, Fine Gael will give local

---

<sup>3</sup> Fine Gael will create in 2011, as an interim measure, a National Director in the HSE covering Mental Health, Disability and Long Term Care to ensure that these services have a clear voice and advocate within the existing health system. This will be done in the context of a review of the system of National Directors, with a view to identifying savings and efficiencies.

hospitals much more control in determining their own future and responding to the needs of their local community.

### **Local control over local services**

- FairCare will return HSE hospitals to local control. They will continue to be owned by the State but will be governed and managed by Local Hospital Trusts.
- Voluntary Hospitals will continue to be run by their Boards.
- Private for-profit hospitals will continue to operate as is.

### **Local Citizens will have a real say in the control of their hospital**

- Anyone who lives in the area, works for the hospital or has received treatment there can become a member of the Local Hospital Trust where they will have a real voice on the future direction and management of the hospital.
- Members will receive information about the hospital and be consulted on plans for its future development. Member will elect representatives to serve on the Board of Governors, which will be empowered to appoint or remove the chief executive of the hospital.
- Hospitals will be able to operate individually or as part of a network of local hospitals.

### **Managing the Transition**

- The PSA will oversee the transition of hospitals from the HSE to independent local control. It will assess local hospitals to decide if they are ready to be handed over to independent control. As part of this process of authorisation local hospitals will have to show that they are well managed, financially viable and delivering a high quality service. Following authorisation the PSA will monitor Trusts to ensure that they comply with the terms and conditions of their authorisation and will support them in their ongoing development.

## **Phase 3 (2016-20): Universal Health Insurance**

Under UHI every citizen will have health insurance from one of a number of competing insurance companies, which will provide equal access to a comprehensive range of hospital and medical services. The insurance companies will take over much of the burden of administering the system. As such, the HCA will no longer be required, releasing significant savings. The role of the state will, however, remain central. It will:

- Pay for children/students and those on medical cards (and their families). It will also subsidise those on low income who are above the threshold for a medical card. Individuals in this category will pay in the region of €200-300. People with medical cards and GP visit cards will, as now, be entitled to free GP care from Day 1 of UHI. Free GP care will be extended to everyone else in a second term of a Fine Gael Government as the country's finances improve.
- Require all insurance companies to offer a standard package of health insurance that will cover all of the key services one would normally expect in any health service. A system of Community Rating will be introduced which will ensure that no insurance company can discriminate between its patients on the basis of age, sex or health status. The insurance companies will compete largely on the basis of price and reputation and will be able to offer supplemental packages to cover non-essential medical treatments not included in the standard package, e.g., additional dental treatment, private rooms, etc.
- Continue to fund A&E services centrally from tax revenue. However, every insurance company will be expected to pay a certain amount of money towards this service.
- Be responsible for regulating the system, ensuring that safety and quality are maintained, and funding services that are not covered through UHI such as long term care, disease prevention, etc. Public hospitals will remain under public ownership but will be given much more freedom to run themselves. GPs will remain the gatekeepers of the system and will decide, in consultation with the patient, the optimum treatment path for the patient.

Once UHI is introduced the PSA will become the regulator/scrutiniser for the industry, tasked with ensuring fair and free competition among the insurance companies, and high quality

service provision from the various healthcare providers. The Financial Regulator will be responsible for ensuring both the liquidity and solvency of the insurance system.

## 1. Fine Gael versus Fianna Fáil

Fianna Fáil and Micheál Martin have offered absolutely nothing new in this election on health. Micheál Martin was the creator of the HSE and is obviously determined to defend it at all costs, even if it means denying reality. The Fianna Fáil manifesto states that “much has been achieved in developing and improving services.” The evidence shows the emptiness of this claim.

Fianna Fáil’s manifesto also suggests that the Report of the Expert Group on Resource Allocation and Financing in the Health Sector offers a better model for the development of the health service than FairCare. Once again the reality is very different. The Group concluded that “reform of the present system is necessary on the grounds that it is not equitable and that it does not encourage appropriate behaviours.” The Group took the view that reform could take place either through the current system or “through a social health insurance system.”

The differences between Fianna Fáil and Fine Gael are clear:

- **We have outlined clearly where we will get savings and how we will prioritise future spending.** Fianna Fáil has given no detail.
- **We will abolish the HSE and introduce UHI.** Fianna Fáil will keep the current system in place.
- **We will give the so-called Cinderella services a voice at the top table and ring-fenced budgets.** Fianna Fáil and the HSE it established have shamefully neglected these services.

## 2. Fine Gael versus Labour

Both Fine Gael and Labour want to introduce Universal Health Insurance (UHI) into Ireland. However, while Fine Gael wants to abolish the HSE and introduce the Dutch model of UHI, the Labour party wants to keep the deeply dysfunctional HSE in existence as a second state

insurance company - a **HSE MARK 2** – and crowd out private health insurance companies. The new state insurance company will require €410 million in reserve requirements, according to Labour's own numbers.

Their proposals for UHI will give the state up to 80% control of the health insurance market, while the state will have a huge say over what premiums can be charged by non-state companies – effectively eliminating competition. Within a short period of time it is very likely that private insurance companies will be completely pushed out of the market. The Irish people will be left with no choice but to insure themselves with the state.

The differences between Labour and Fine Gael are clear:

- **We have shown how we will get savings by 2014 and how we will prioritise future spending.** Labour has given very few details on what reductions it will make in health spending to meet even its reduced deficit reduction targets by 2014.
- **We will abolish the HSE.** Labour wants to keep the HSE under a different name.
- **We believe choice is a key value.** Labour wants to get rid of choice by establishing a dominant state position in the insurance market.