Health Policy 117 (2014) 275–278

Contents lists available at ScienceDirect

Health Policy

journal homepage: www.elsevier.com/locate/healthpol

Indicators of health system coverage and activity in Ireland during the economic crisis 2008–2014 – From 'more with less' to 'less with less'☆

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ARTICLE INFO

Article history:
Received 26 February 2014
Received in revised form 25 June 2014
Accepted 1 July 2014

Keywords:
Health system
Coverage
Activity
Rationing
Ireland: Economic crisis
Health reform
Austerity
Cost cutting

ABSTRACT

A new Irish government came to power in March 2011 with the most radical proposals for health system reform in the history of the state, including improving access to healthcare, free GP care for all by 2015 and the introduction of Universal Health Insurance after 2016. All this was to be achieved amidst the most severe economic crisis experienced by Ireland since the 1930s.

The authors assess how well the system coped with a downsizing of resources by an analysis of coverage and health system activity indicators. These show a health system that managed 'to do more with less' from 2008 to 2012. They also demonstrate a system that was 'doing more with less' by transferring the cost of care onto people and by significant resource cuts.

From 2013, the indicators show a system that has no choice but 'to do less with less' with diminishing returns from crude cuts. This is evident in declining numbers with free care, of hospital cases and home care hours, alongside increased wait-times and expensive agency staffing. The results suggest a limited window of benefit from austerity beyond which cuts and rationing prevail which is costly, in both human and financial terms.

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1. Introduction

During the 2000s, Ireland had one of the greatest boom and bust cycles experienced by any high income country since the great depression of the early 1930s [1]. Ireland's crisis was contributed to by the international financial crisis but was primarily brought about by very poor national fiscal and public policy choices [24]. The crisis resulted in Ireland entering into an international bailout, worth €85 billion [1] and huge cuts to public spending including a 12% cut to the health budget from 2008 [18]. International comparative work shows that of all 53 WHO Europe countries, eighteen countries were hardest hit by the economic crisis and that Ireland experienced the greatest drop in health spending in the years after the crisis [30].

A new Irish government was elected in the midst of the economic crisis which brought down the previous government. The government which came into power in 2011 promised a radical overhaul of the Irish health system, with 80 specific health commitments in the Programme for Government, the most high profile being the promise of free GP care for the whole population by 2015 and the introduction of Universal Health Insurance after 2016 [7].

☆ Open Access for this article is made possible by a collaboration between Health Policy and The European Observatory on Health Systems and Policies.

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http://dx.doi.org/10.1016/j.healthpol.2014.07.001
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There is an increasing body of knowledge examining what happened to health systems during the financial crisis, demonstrating diverging responses across Europe [23]. Some countries introduced measures that increased efficiency, others maintained or increased health coverage. In contrast some countries reduced the depth of coverage or breadth of coverage and rationed care [6,20,22,23,27,31].

This article assesses the effects of the crisis on the Irish health system in terms of efficiency, coverage and activity between 2008 and 2014.

2. Methods

The authors collected indicators of coverage and activity in the Irish health system during the economic crisis from 2008 to 2014. These indicators include key metrics over time relating to

(i) healthcare funding and resources,
(ii) the coverage of the population with free or subsidised care,
(iii) the efficiency of resources used,
(iv) access to timely care.

The indicators gathered are limited by poor data collection in the Irish health system. For example, it is not possible to measure the impact of the crisis on health system performance, as measured by quality or health outcomes, as such data do not exist.

The indicators used are from a wide range of sources including the Department of Finance, HSE Annual Reports, HSE National Service Plans and waiting list data collected by the HSE [5,12,13,16,18,26]. Such indicators are used at an OECD/WHO Europe level to assess health system responses to the crisis [23,25,31].

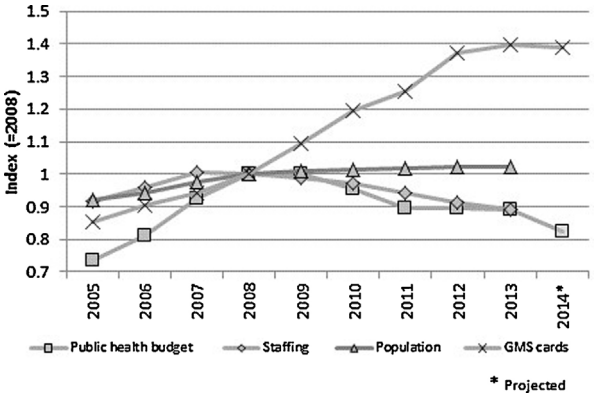
3. Findings

Approximately €2.3 billion has been cut from the Irish health system since 2008 and there are over 12,000 fewer Health Service Executive (HSE) staff in December 2013 than there were at the height of public health sector employment in 2007 [14,18].

Simultaneously, Ireland's unemployment rate grew from 4% in 2008 to 12.3% in January 2014 [3]. Reflecting lower incomes and higher levels of unemployment by September 2013, there were the highest numbers of people with medical cards in the history of the state [15,18]. Medical cards are a proven pro-poor measure which ensure access to GP and hospital care without charge and prescription drugs at a low charge [21].

Graph 1 shows how a health system with a significantly declining budget and staff numbers provided more coverage, evident in the huge increase in those with medical cards.

There has also been a drop in numbers signing up to private health insurance schemes during the time with 245,000 fewer people covered in December 2013 than in December 2008 [8]. These combined figures mean a million more people are dependent on the public health system. Together with Ireland's growing, ageing population, there is significantly increased demand on a health system which has much fewer resources.

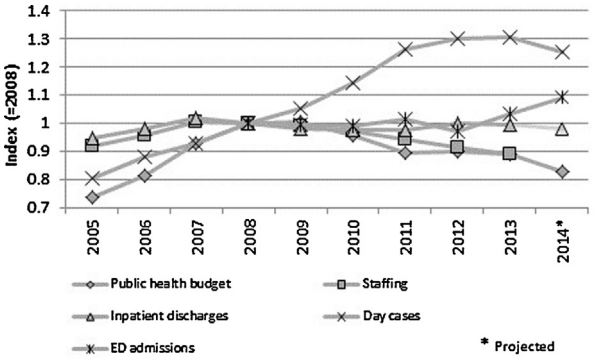


Graph 1. Levels of public health staffing, budget, population and numbers with medical cards 2005–2014.

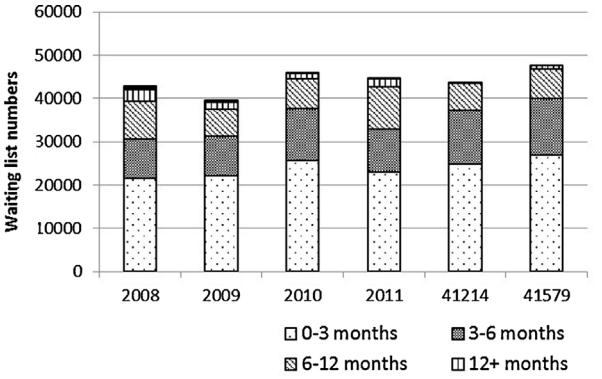
Between 1997 and 2007, the health budget quadrupled, reflecting rising national income and making up for decades of under-spending in health [2,4]. Graph 2 shows this trend of significantly increased spending overtime which reversed in 2009. It also demonstrates that despite the declining budget and staff numbers, public hospitals managed to do 'more with less' in the period 2008 to 2012, indicating increased efficiencies during this time. The rising numbers of inpatient, day case, outpatient appointments and emergency admissions alongside reduced budget and staff suggests there was some 'fat' in the system from the boom time that was removed during the early years of the economic crisis [29].

Such efficiencies could also be influenced by the clinical care programmes, instigated in 2009 and which began to show benefits from 2010 onwards, and by agreements between health service management and unions which allow for increased flexibility and productivity [18].

Graph 2 also shows a reversal of the trend 'of doing more with less'. Towards the end of 2012, and through 2013 and 2014, inpatient activity decreased and day case activity levelled off despite increased demand [10,14,18]. In 2013, there was increased activity in emergency admissions which made up 83% of all admissions to public



Graph 2. Percentage change of public health budget, staffing, inpatient, day cases, Emergency Department attendances and outpatient attendances, 2005–2014.



Graph 3. Numbers of people waiting for inpatient and daycase hospital treatment 2008–2013.

hospitals, which critically are demand-led [14]. 2014 figures are projections from the HSE service plan which show that the only area of hospital activity expected to increase in 2014 are Emergency Admissions [18].

There are very few measures of health system activity in the community, but one area where there are comparable data overtime is home care. While home care hours increased from 2006 to 2008, there has been a steady decline since 2008. In 2013, there were under nine million home care hours provided, compared to over 11 million hours in 2006 [9,18].

Since 2011, the new government made explicit commitments to address the most persistent access problems in the Irish health system – very long waiting times for all aspects of hospital treatment – in Emergency Departments, outpatients, inpatient and day cases. Some progress has been made on each of these, for example accurate figures on outpatient wait times were published for the first time in 2012 [11].

There has been progress reducing the numbers of people waiting on trolleys in Emergency Departments. Trolley numbers reached their height in 2011. There was a 34% reduction between 2011 and 2013. However, when figures from 2008 are compared to 2013, a 3.6% reduction is counted [26]. There were over 57,000 people counted on trolleys in 2013.

Graph 3 shows the number of people waiting for inpatient and day-case hospital treatment. This shows progress on reducing waiting times in 2011 and 2012, in particular success in eliminating the longest waiters, i.e. those waiting over two years, a key Programme for Government commitment.

However, when figures for November 2012 are compared with November 2013, they show more people waiting at every measurement (0–3 months, 3–6 months, 6–12 months) and a trebling of those waiting over twelve months for treatment.[1] The government set a target that no one would wait over eight months for treatment by December 2013. In March 2014, there were 4350 people waiting over eight months [26,17].

These hospital wait times demonstrate increased demand on the public health system [1]. They also reflect the impact of continuous austerity budgets on the public hospital system evident in their declining resources and staffing, closed wards, fewer inpatients and hospital beds and more patients waiting longer for elective treatment. There were 941 fewer public hospital beds in 2012 compared to 2008, while numbers of delayed discharges remained chronically high, most recent figures show 630 delayed discharges (people in hospital beds who do not clinically need to be there [17].

4. Discussion

Indicators of measures of coverage and activity in the Irish health system during the economic crisis show a system that increased the breadth of health coverage and achieved some efficiencies from 2008 to 2012. More people were covered for free care and there was more hospital activity with a much reduced budget.

However, recent indicators from 2013 on, demonstrate a system under increasing pressure that has to reduce the breadth and depth of coverage and ration care – a system that can no longer continue 'to do more with less', a system that has no choice but 'to do less with less'.

Medical card numbers peaked in September 2013, when there were 1,864,000 people covered by medical cards. More coverage was achieved during this time for less money due to significant cuts in staff numbers and staff pay, cuts to pharmaceutical budget and greater efficiencies achieved through negotiated deals between unions and health service management [1].

By March 2014, the numbers covered by medical cards were down to 1,799,103, a drop of over 65,000 in six months. While some of this drop can be accounted for by improved economic circumstances, many of them are related to a tightening up of eligibility criteria introduced in October 2013, a direct result of budgetary constraints [17]. While the HSE cannot control emergency admissions, it can and may have to continue to ration day and inpatient hospital treatment as detailed in the 2014 HSE National Service Plan [18]. As well as rationing hospital care, other 'easier' to cut services such as home care are likely to continue to be rationed. Health service managers have acknowledged that cuts to home care are a direct result of budgetary pressures and that demand now exceeds supply.

'Doing less with less' can now only be achieved by stemming the numbers with medical cards (evident from September 2013), rationing more care, and transferring cost of care from the State onto people, thus reducing the depth and breadth of coverage in the months and years ahead. Previous research estimated a transfer of costs from the state on to people of around €450 million demonstrating the decline in depth of coverage from 2008 onwards [28].

Under public sector agreements, the HSE is expected to have 2600 fewer staff by the end of 2014 [14]. However, cuts to staffing are proving expensive as spending on

[1] Those waiting over 12 months increased from 214 in November 2012 to 797 in November 2013 and are indicative of a failure to achieve the target set and of more people waiting at each milestone measured.

agency staffing (who fill empty posts) is on the increase again. As one of many measures to reduce costs, agency spend fell from €220 million in 2011 to €215 million in 2012. However, in 2013, it was up to €260 million, a significant increase ([26,18]). Spending for the first three months of 2014 show agency spending is higher again, averaging over €25 million per month [17]. If it continues at this rate, 2014 agency spending will be €300 million by year-end, demonstrating diminishing returns for cuts to staffing as agency staff fill the essential health service gaps at a much higher cost.

Similar to cutting staff numbers, cutting home care and raising charges for services and prescription drugs are short term measures that may work out more expensive in the long-term if people end up in hospital due to the absence of supports in the community or not taking essential medicines [4,23].

The results suggest a limited window of benefit from austerity, where efficiencies were achieved and the breath of coverage extended. Now, cuts are resulting in a reduction of the breadth and depth of coverage, where cuts and rationing prevail, which is proving more costly in terms of access to health care and is already proving more expensive in real cost.

Comparative research has highlighted how different countries' health systems responded in different ways to the crisis [23]. This paper shows how Ireland had a different experience to other 'bail-out' countries, with some increase in breath of coverage and care provided for the first four years of the crisis. However from 2012/3 on, Ireland experienced more similar patterns to Greece, Portugal and Spain, that of increased rationing and declining breadth and depth of coverage [6,19,20].

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