Health insurance plans just don't add up

How close are we to the end of the two-tier system that health minister James Reilly promised? And just how much is it going to cost us?

WE'VE ALL had to make some difficult financial decisions over the last few years and cancelling your health insurance is probably the toughest of them all. Nobody stops the VHI payments unless they really have to. But now it's emerged that health minister James Reilly's plans for universal health insurance (UHI) could cost you as much as €1,600 each year, with no guarantee that you'll get anything more for your money in terms of access to services or quality of care.

Don't panic yet. The proposed new system is unlikely to come into force before 2019. The health minister has also promised that a new 'citizens health assembly' and the Constitutional Convention will provide arenas for public consultation on the cost and coverage of compulsory insurance – although there's been little evidence so far that the views of stakeholders are welcome.

It's certainly likely that the political heat will increase as the shortcomings of this and other major health reform proposals are exposed to public scrutiny and debate.

Rethink

Earlier this year, IMPACT wrote to the minister – and to all TDs and senators – calling for a total rethink of the UHI plan. The union's national secretary Louise O'Donnell bluntly said that current plans would place a universal financial burden on families with no guarantee of universal access to healthcare.

The minister's chosen funding model – a free market of insurers competing for your cash – is largely based on the Dutch system. In 2012 IMPACT commissioned a study to find out what had happened in Holland. The results weren't exactly reassuring.

Dutch families have seen a continuing rise in the price of compulsory insurance, coupled with increasing restrictions in the health services covered. An inequitable and inefficient system has emerged with different tiers of entitlement, rising hospital deficits, and even bankrupt hospitals.

The minister has so far gleaned a measure of political and public support for compulsory insurance with promises of an end to the two-tier health system. But the new system could deliver the worst of all worlds – a multi-tier system where everyone has to pay.

IMPACT has urged the Government to look at the alternatives, particularly the 'single-payer' social insurance models used in France, Germany and the Nordic countries. "The 'competing insurers' model should not be adopted before all the options have been evaluated in terms of quality, equity, access to services, and medium and long term value-for-money," according to the union's 2012 report *The Future of Healthcare in Ireland*.

The report, by health expert Dr Jane Pillinger, calls for a full examination of a range of UHI funding models, not just the ▶ single 'competing private insurers' model outlined in the draft white paper.

Outsiders

In February this year, Taoiseach Enda Kenny told his party's Ard Fheis that UHI would "tear down barriers" to accessing health services, saying the State would subsidise families on low-income and pledging that there would be "no outsiders."

But the much-vaunted plans were running into difficulty even before frightening estimates of the price of compulsory insurance emerged in the press. The timetable for the necessary legislation has been pushed out, with implementation now scheduled for 2019 and free GP care promised for 2016. A white paper expected earlier this year is now due to be published shortly. It is expected to outline the pricing system and establish what will be covered under UHI.

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Without doubt, the public consultation that follows will be dominated by one question. How much will it cost? Right now, nobody can answer that question. Estimates vary, but the average cost per person is likely to be somewhere between €1,000 and €2,000. Meanwhile, doubts have been raised, including by ministers, as to whether free GP care will, in fact, be free.

Low incomes

What we do know is that workers and employers will have to pay into a yet-to-be-established fund. Risk equalisation will be applied to ensure that health insurers can't refuse to cover individuals because of their age, disability or health needs. The Government has also promised to pay for people on yet-to-be-defined 'low incomes,' and to partially subsidise those on yet-to-be-defined 'middle incomes.'

We also know that the entire plan is linked to another huge, and very much less debated, reform – the establishment of largely independent regional hospital clusters. This will give GPs, hospitals and primary care centres financial incentives to treat patients quickly. It will also create an incentive to discharge them quickly. In Holland this has led to one of the highest readmission rates in Europe as more and more people experience post-discharge complications after being rushed out of their hospital beds.

Nobody defends the current discriminatory two-tier approach, which leaves public patients waiting longer for treatment while those with money or insurance are fast-tracked through the system. IMPACT, and virtually everyone else, has welcomed plans for universal healthcare. But it's impossible to believe that the current proposals are going to create the kind of high quality health service, based on social solidarity rather than ability to pay, which many of our European counterparts take for granted ●

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