THE IRISH 'HEALTH BASKET': AN INTERNATIONAL PERSPECTIVE

Samantha Smith[*]

Economic and Social Research Institute, Dublin, Ireland

Introduction

A recent paper** used what is termed the 'health basket' approach to compare publicly funded health care benefits in Ireland with those in other countries. The health basket describes which individuals ("breadth"), are covered by public funding, to what extent ("height"), and for which health care services ("depth"). While many international comparisons focus on the depth dimension, this paper focuses on the proportion of the population covered by publicly funded health benefits (breadth of cover) and the proportion of the cost covered by the public funding (height of the cover). The structure of the Irish health basket is compared with a sample of other countries frequently used as comparators (Australia, Canada, France, the UK and Sweden) and several distinctive features of the Irish system emerge.

The Irish Health Basket

The range of health services directly funded by the public sector in Ireland is similar to that found in other countries: inpatient and outpatient services; general practitioner (GP) services; drugs; medical appliances; home nursing; home help services; dental, ophthalmic and aural services; rehabilitation services etc. The breadth dimension of the Irish health basket can be split into two categories based on medical card status. Individuals in Category I are issued with a medical card (approximately 30 per cent of the population) on the basis of a means test (although a small number are issued on a discretionary basis). There are two types of medical card. The full medical card grants access to free primary and secondary public health care. The GP Visit Card grants access to free GP visits only. Category II refers to the non medical card group and covers the rest of the population (approximately 70 per cent).

Breadth and height of publicly funded health care vary from one service to another. The focus here is on GP and hospital care. Public funding for GP care is almost fully restricted to Category I individuals (including those with a GP Visit Card). GP care (in-hours and out-of-hours consultations, home visits) is provided free of charge to the eligible individuals and thus height of public cover is 100 per cent. For Category II individuals, GP care is not included in the benefit basket. The full-price charge imposed on this group is complicated by uncertainty around the pricing level. Private charges for GP visits are

[*] s.smith@esri.ie

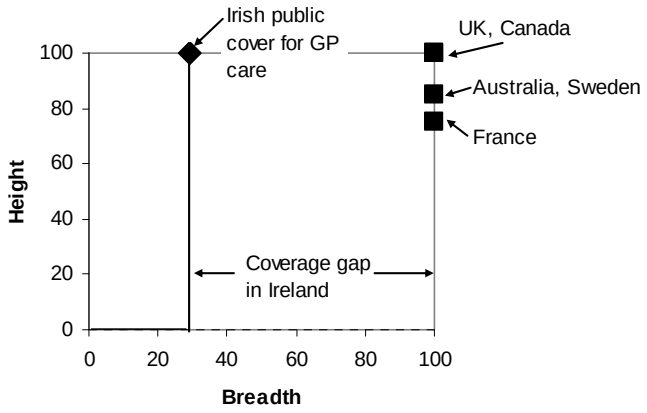
approximately €40-€60. The charges vary by GP, but can also vary by visit and can be hard to predict in advance.

Individuals in both categories (universal breadth) are entitled to public hospital care (inpatient and outpatient care including day case and emergency department care). The height of public funding is 100 per cent for Category I individuals (excluding GP Visit card holders), (i.e. free access to public hospital care). Category II individuals (with some exceptions) are required to pay statutory charges (i.e. height of public cover <100 per cent).

International Comparisons

Figure 1 illustrates the position of six countries, including Ireland, along the dimensions of breadth and height for GP care. The breadth of public cover for GP care in Ireland is narrow relative to the other countries.[1] More than 70 per cent of the population pay the full price of GP care (i.e. technically excluded from the health basket). In each of the other countries, breadth of public cover for GP care extends to the whole population. The height of public cover is 100 per cent in Ireland, as in the UK and Canada. The minimum height of cover in Australia, Sweden and France is estimated to be >75 per cent although many people are eligible for a higher level of cover.

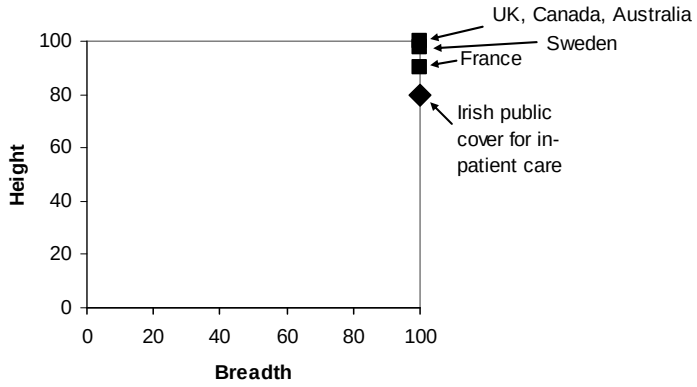
Figure 1: Height and Breadth Dimensions of Health Baskets for GP Care (% Coverage)



Public cover of secondary care in Ireland is broader than in primary care. Public funding for public inpatient care is available for all individuals (universal breadth) in the six countries (Figure 2). Care is provided free of charge in the UK, Canada and Australia (100 per cent height). The minimum estimated height of cover is >90 per cent in Sweden and France and approximately >80 per cent in Ireland, increasing to 100 per cent for eligible individuals.

[1] This conclusion would remain valid even if the analysis were extended to take into account tax relief on expenditures such as GP fees.

Figure 2: Height and Breadth Dimensions of Health Baskets for Public Hospital Inpatient Care (% Coverage)



The health basket provides a useful framework for describing and examining the main features of a health care system. Cross-country comparisons of health baskets have focused on variations in depth and the content of detailed benefit catalogues. The above analysis illustrates how the basket framework is also useful for comparing across countries in terms of who is eligible to receive what public services (i.e. breadth), and at what price (i.e. height). The response of the Irish health care system to questions of how a health service should be financed, who should have access to it, and at what price, has been described as complex. Until now, there has been less attention paid to unpicking and documenting the nature of that complexity and the health basket facilitates this process.

While the breadth and depth of public cover is relatively consistent across hospital and GP care in a sample of countries including Australia, Canada, France, Sweden and the UK, this is not observed in the Irish structure. Breadth of public cover for GP care is lower than in the comparison countries. The limited breadth of public cover for GP care has important policy implications in light of the observation that primary care is the appropriate setting to meet 90-95 per cent of all health and personal social service needs, and policy commitments that primary care is to become the central focus of the health system.

It is also important to remember that the way in which health care systems function in practice can diverge from their intended structures. The focus here is on examining the structure of the Irish health basket as outlined in legislation and policy. Practical implementation of the basket of health care services introduces other complications (e.g. supply side factors, tax reliefs etc.) that further complicate the breadth and height of cover, and distinguish the Irish system from other countries. International comparisons of health baskets need to take into account this divergence between intention and implementation.

**SMITH, S., 2009. "The Irish 'health basket': a basket case?", *European Journal of Health Economics*, *online edition, DOI 10.1007/s10198-009-0171-4* *http://www.springerlink.com/content/j47t070m6w733p0q/?p=c10392a3dab44be7a7af419c16fba30dc&pi=14*