An Roinn Caiteachais Phoiblí agus Athchóirithe
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Primary Care

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Abstract

Investing in primary care was a key part of the last Government's vision for the health service, both a stepping stone on the road towards universal health insurance and a means by which pressures in the acute hospital sector could be reduced, cost efficiency increased and patient satisfaction improved. Excluding the Primary Care Reimbursement Service and demand-led local schemes, 'core' primary care services have a budget of €965 million in 2016. The key findings of the paper are set out below.

Summary of key findings

- Core primary care services encompass primary care, social inclusion and palliative care;
- In 2016, the budget for these services is €965 million, an 80% increase since 2011 (see Figure A.1);
- However, much of this funding was previously accounted for by the Multi Care Group. Excluding this, funding in 2016 is approximately €620 million, a 22% increase since 2011;
- Increased resourcing is reflected in staff levels with WTEs standing at 10,442 at the end of 2015 – an 8.4% increase since the end of 2012 (see Figure A.2);
- The biggest increases have come in the nursing and health and social care professionals staffing categories, growing by 32.6% and 13.2% respectively.
- Pay accounts for 60% of current spending;
- €160 million has been earmarked for new primary care centres from 2015 to 2019, 9% of all capital investment;
- The above capital investment and increases in spending and staffing are underpinned by *Future Health*, which envisages 90-95% of healthcare taking place in the primary setting, with primary care teams delivering services from shared primary care centres.

Figure A.1: Primary care core services expenditure, 2011 to 2016

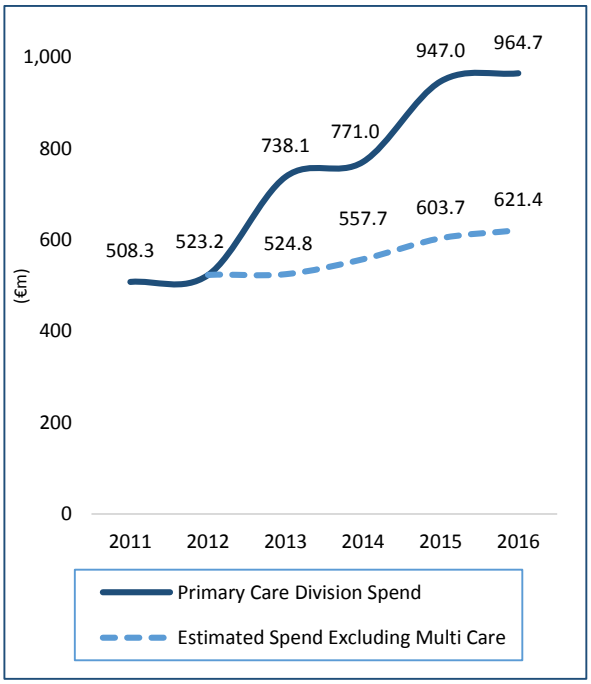
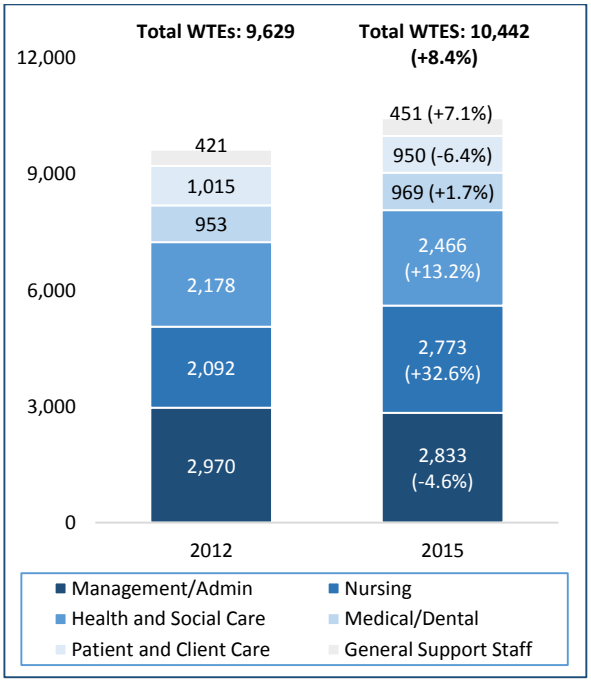


Figure A.2: Primary care WTE breakdown, 2012 and 2015



Introduction

The Primary Care Division of the HSE encompasses five elements: primary care, social inclusion, palliative care, demand-led services (sometimes referred to as Local Schemes) and the Primary Care Reimbursement Scheme. Collectively these services have a budget of €3.6 billion, roughly equivalent to 30% of the HSE's total net spend. While all five fall within the Primary Care Division, it is the first three 'core' service areas that will be the focus of this paper.

The paper will first set out where primary care stands in the context of overall health spending. The core service areas will be described and the regional funding and delivery structures outlined. Expenditure trends since 2011 will then be discussed followed by some consideration of staffing levels and the pay and non-pay elements of spend. Finally, the policy context within which primary care services currently operate and the outlook for the future will be considered.

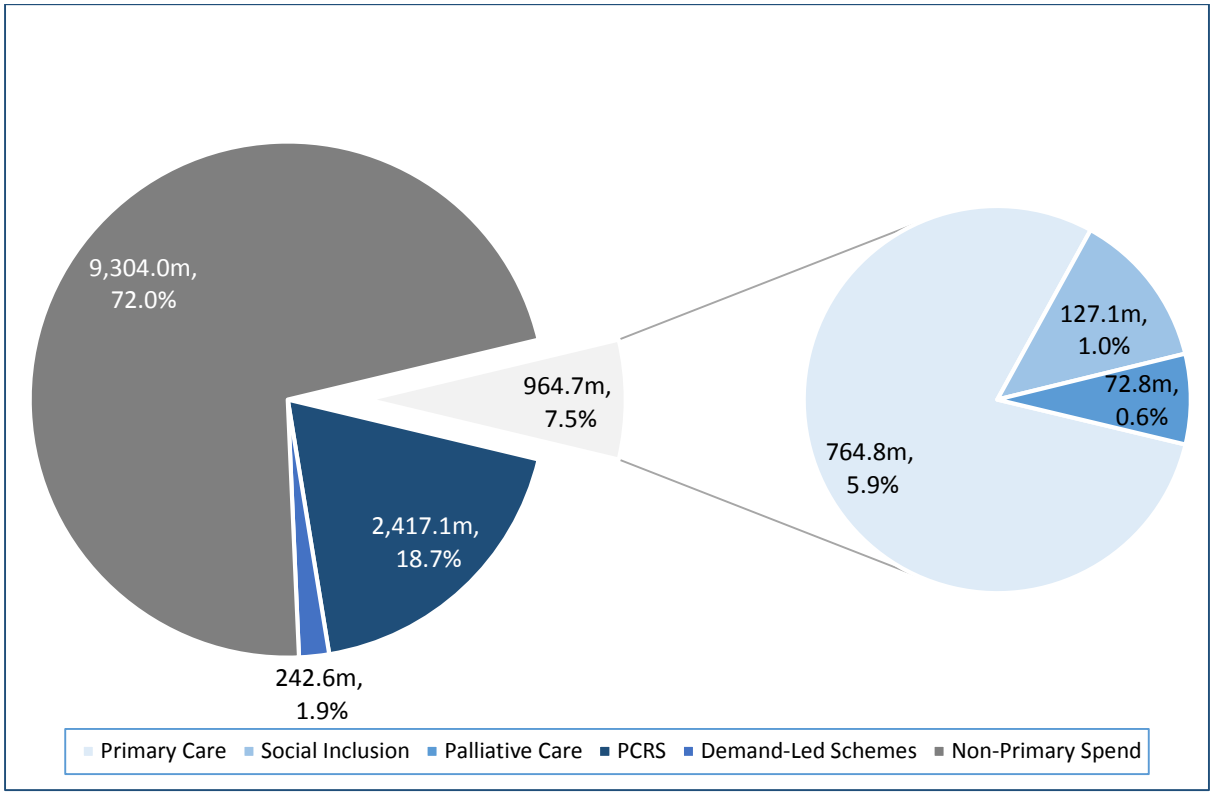
The paper will conclude with some summary remarks.

Overview of primary care services

The overarching goal of the Primary Care Division is to achieve a balanced health service, ensuring that the vast majority of patients can be treated within primary and community settings. Services should be of high quality, responsive, good value for money and well-integrated with other areas of healthcare provision. Specific functions falling under primary care include primary care teams (PCTs), general practice, reimbursement services for drugs, social inclusion and palliative care.

In 2016, the net budget of the HSE is €12,928 million. Including PCRS and demand-led services, the net budget for primary care is €3,624 million. Core primary care services account for €965 million of this spend, broken down as €765 million for primary care, €127 million for social inclusion and €73 million for palliative care. Figure 1 below displays the relative size of each area of spend.

Figure 1: Breakdown of HSE budget, 2016



Source: HSE, National Service Plan 2016

The three core primary care service areas are described below. Further details of specific outputs can be found in Appendix 1.

Primary care

Primary care services aim to manage the health of the population, as far as possible, within the primary setting, with individuals rarely requiring admission to hospital. Specific services include physiotherapy, occupational therapy, orthodontics, psychology, ophthalmology, audiology, nursing, and speech and language therapy. In

2015, excluding GP visits, approximately 600,000 treatments or referrals were carried out in the primary setting. How this compares with activity levels in the acute hospital sector is set out in Table 1 below.

Table 1: Primary care and acute hospital activity, 2015

	Number
Primary care referrals/treatments*	606,300
Inpatient discharges	645,000
Day case discharges	878,800
Emergency department attendances	1,293,100
Outpatient attendances	3,297,500

*Breakdown provided in Appendix 1

Source: HSE, Primary Care Division Operational Plan 2016 and Management Data Report December 2015

Given the wide array of services provided under primary care, it is no surprise that PCTs are central to delivery. PCTs typically consist of GPs, nurses, home helps, physiotherapists, and occupational therapists and provide local healthcare to populations of between 7,000 and 10,000. Information is coordinated and skills shared so that patients receive the care they require in a timely manner. Ideally PCTs will be based together in a primary care centre (PCC), enhancing the multidisciplinary nature of their work.

The budget for primary care in National Service Plan 2016 is €764.8 million.

Social inclusion

While still falling under the umbrella of local and community service provision that distinguishes the Primary Care Division, the objective of social inclusion services is to improve health outcomes for the most vulnerable in society. This typically involves targeted interventions for people from groups that have traditionally faced marginalisation and experienced health inequalities as a consequence, including Travellers, asylum seekers, refugees, addicts and the homeless.

The budget for social inclusion in National Service Plan 2016 is €127.1 million.

Palliative care

The final core primary care service is palliative care. Palliative care aims to improve the quality of life of patients suffering from life-limiting illnesses through the prevention and relief of pain. The scope of services has broadened in recent years, taking in not just cancer but non-malignant and chronic illnesses also.

The budget for palliative care in National Service Plan 2016 is €72.8 million.

Community Health Organisations

For all three of the core primary care functions, services are delivered by 9 Community Health Organisations (CHOs) operating on a regional basis and encompassing 32 smaller Local Health Offices (LHOs). The population of CHOs ranges from around 360,000 to over 670,000, and their core services budgets from €57.8 million to

€147.7 million. The arrangement, population and budget of each CHO is given in the table below. Dividing the net budget for each CHO by its estimated population crudely indicates a primary care spend per person ranging from €158 in Area 6 to €219 in Area 1.

Table 2: Core primary care services net budget by Community Health Organisation, 2016

	Constituent Local Health Offices	Population	Net Budget 2016 (€m)
Area 1	Cavan/Monaghan, Donegal, Sligo/Leitrim	390,000	85.6
Area 2	Galway, Mayo, Roscommon	445,000	90.3
Area 3	Clare, Limerick, North Tipperary/East Limerick	380,000	72.3
Area 4 (Incl. Cork Dental)	Kerry, North Cork, North Lee, South Lee, West Cork	665,000	120.1
Area 5	Carlow/Kilkenny, South Tipperary, Waterford, Wexford	500,000	83.5
Area 6 (Incl. Dublin Dental)	Dublin South East, Dun Laoghaire, Wicklow	365,000	57.8
Area 7 (Incl. Our Lady's Hospice)	Dublin West, Dublin South City, Dublin South West, Kildare/West Wicklow	675,000	147.7
Area 8	Laois/Offaly, Longford/Westmeath, Louth, Meath	590,000	119.4
Area 9	Dublin North, Dublin North Central, Dublin North West	580,000	123.6
Other Primary Care Services*	-	-	64.4

*Regional and national services
Source: HSE, National Service Plan 2016

Trends in primary care expenditure

In totality, primary care accounts for 28% of HSE net current spending, and core services alone account for 7.5%. In 2011 core services accounted for just 4.1% so, superficially, the proportion of HSE funding spent in the area has increased by over 80% in a five year period. In fact, the proportions of spending accounted for by social inclusion and palliative care have remained unchanged during that time meaning the increased provision for core primary care services is entirely accounted for by primary care itself, which has more than doubled its share of spending. Table 3 gives the primary and non-primary elements of HSE spending from 2011 to 2016.

There appear to have been two step changes in primary care funding in the past five years. The first occurred in 2013 when spending on core services increased by €215 million, or 41%, year-on-year. The second occurred in 2015 when spending increased by €176 million, or 23%, year-on-year. However, while these large jumps in resourcing may seem to indicate greater priority being placed on primary care, much of it can actually be accounted for by the redistribution of preexisiting funds.

Table 3: Primary and non-primary spending, 2011 to 2016

	2011 (€m)	2012 (€m)	2013 (€m)	2014 (€m)	2015 (€m)	2016 (€m)
Primary Care Division	508.3	523.2	738.1	771.0	947.0	964.7
Primary Care	*321.1*	*350.2*	*558.3*	*576.8*	*744.0*	*764.8*
Social Inclusion	*116.3*	*110.9*	*108.5*	*125.0*	*130.6*	*127.1*
Palliative Care	*70.9*	*62.1*	*71.3*	*69.2*	*72.4*	*72.8*
PCRS	2,517.4	2,702.5	2,395.7	2,286.5	2,393.1	2,417.1
Demand-Led Schemes*	-	-	208.2	222.1	235.2	242.6
Non-Primary Spend	9,490.4	9,465.4	9,213.5	8,873.4	9,248.5	9,304.0
Total HSE	**12,516.1**	**12,691.1**	**12,555.5**	**12,153.0**	**12,823.8**	**12,928.4**

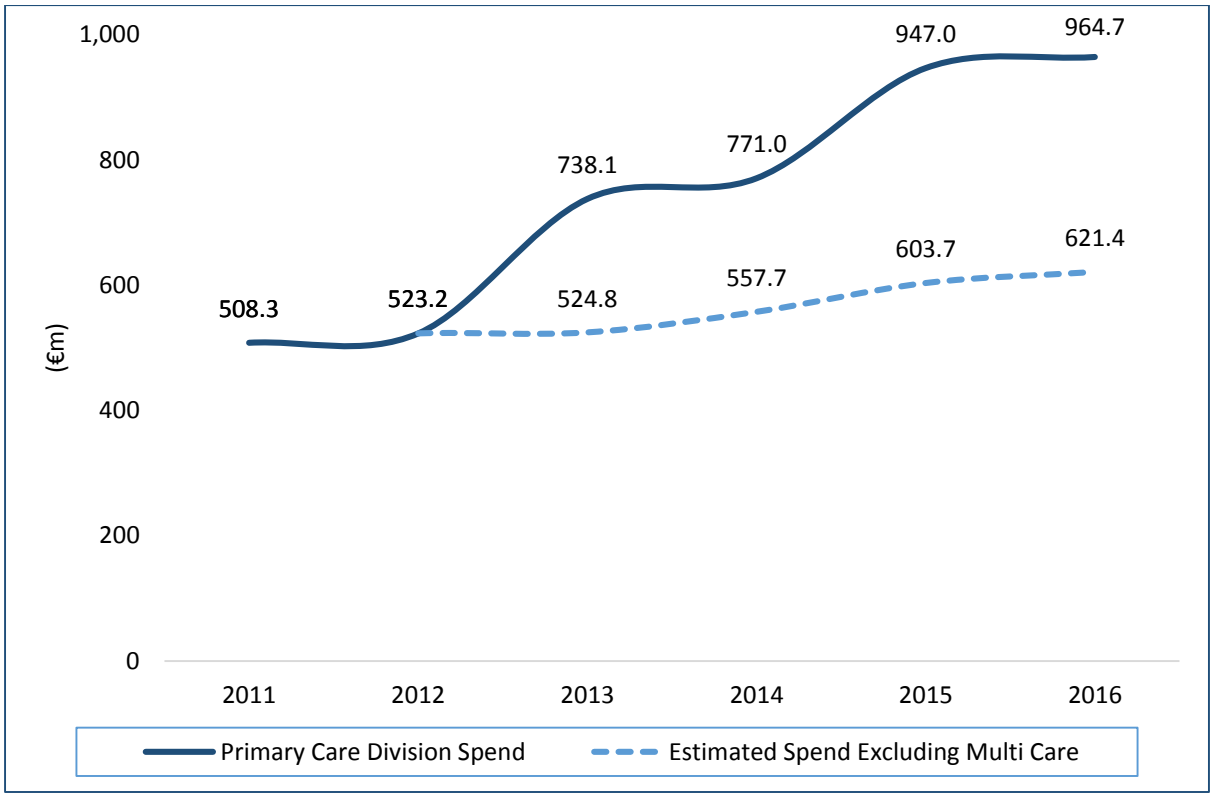
*Recorded under PCRS heading in 2011 and 2012
Sources: HSE, December Management Data Reports (2011 to 2015), National Service Plan 2016

In 2011 and 2012 Multi Care Group services had a budget of approximately €480 million. In 2013, in order to develop more meaningful budgets, about 75% of this funding was reapportioned across other programmes, such as health and wellbeing, mental health, and primary care. The Primary Care Division was the greatest beneficiary of this reallocation, receiving approximately €210 million in funding that had previously been categorised as Multi Care. This more or less entirely explains the increase in primary care resourcing in 2013.

Multi Care services continued to be a line in the budget in 2013 and 2014, at a much reduced resourcing level of around €130 million, before finally being abolished in 2015. The Primary Care Division seems to have incorporated all the functions that had previously been the responsibility of the Multi Care Group at this point. Collectively, then, the Primary Care Division had its budget increased by an estimated €340 million in the last five years solely through the gradual abolition of the Multi Care Group. This means that at least 75% of increased Primary Care Division spending since 2011 has come through redistribution of funds rather than increased provision.

Figure 2 below charts the evolution of the Primary Care Division budget since 2011 and the estimated change if redistributed Multi Care services are discounted. While the estimated rise is much less dramatic, the core services budget has still risen by around €110 million over the past five years, and growth in spending has been particularly strong since 2013.

Figure 2: Primary care core services spending, 2011 to 2016



Sources: HSE, December Management Data Reports (2011 to 2015), National Service Plan 2016; author's estimates

In terms of capital expenditure, the budget for developing primary care centres from 2015 to 2019 is €160 million, an average of €32 million each year. Primary care spending will account for just under 9% of total planned capital expenditure in the health service across this period, as set out in Table 4 below. Accounting for both current and capital spending, then, the planned primary care spend for 2016 is just under €1 billion.

Table 4: Primary care capital expenditure, 2015 to 2019

	Primary care centre budget (€m)	Total capital budget (€m)	Primary care centres as percentage of total
2015	31.5	312.2	10.1
2016	32.0	395.0	8.1
2017	34.0	395.0	8.6
2018	33.5	391.0	8.6
2019	29.0	327.2	8.9
Total	**160.0**	**1,820.4**	**8.8**

Source: HSE, Capital Plan 2015-2019

Staffing

With the construction of more primary care centres there is a natural expectation that staffing levels in primary care should be increasing too, with additional staff required to work in new primary care teams, and this expectation is borne out by the evidence. 813 additional WTEs were recruited in the 36 months from December 2012, an increase of 8.4%. To put this in context, WTEs in the remainder of the health service increased from 91,877 to 93,442 in the same period, an increase of 1.7%.

With staff increases in primary care outpacing the rest of the health service by a factor of 5, the sector has clearly been the focus of new recruitment in recent years. Staffing growth has been particularly pronounced in the nursing and health and social care professional categories, WTEs increasing by 681 (32.6%) and 288 (13.2%) respectively. The breakdown of primary care staffing since 2012 is set out in Table 5 below.

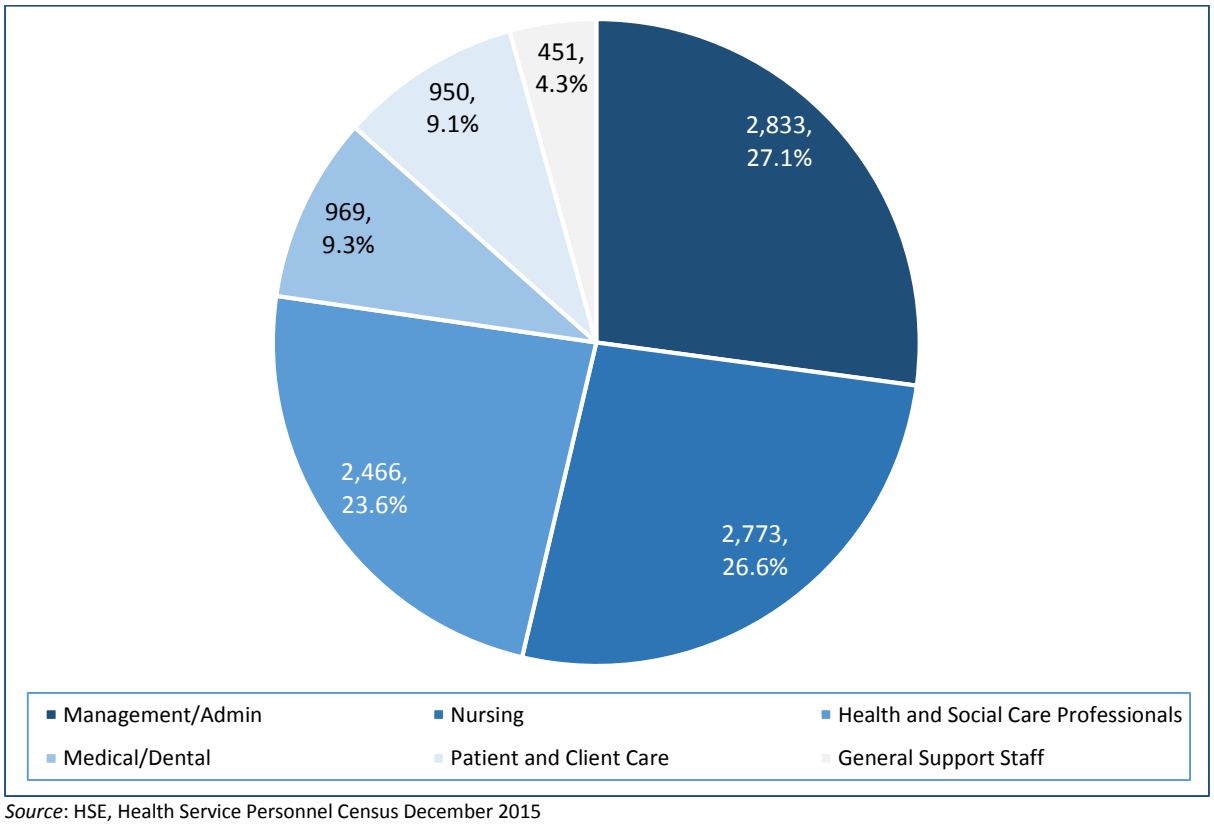
Table 5: Primary care WTE staffing levels and breakdown, 2012 to 2015

	Mgmt/ Admin	Nursing	Health and Social Care Professionals	Medical/ Dental	Patient and Client Care	General Support Staff	Total
2012	2,970	2,092	2,178	953	1,015	421	9,629
2013	2,850	2,604	2,281	953	973	411	10,072
2014	2,729	2,639	2,417	951	935	431	10,102
2015	2,833	2,773	2,466	969	950	451	10,442

Sources: HSE, Census December 2013 and Census December 2015

Figure 3 below charts the relative proportion of primary care staffing accounted for by each group. Management and administration makes up the greatest share, closely followed by nursing and health and social care professionals, each of these three groups representing roughly a quarter of total WTEs. The vast majority of WTEs, roughly 94%, are employed by the HSE directly while the remaining 6% are employed by three Section 38 bodies, namely: the Cork Dental Hospital, the Dublin Dental Hospital and Our Lady's Hospice.

Figure 3: Primary Care Division WTE breakdown, December 2015

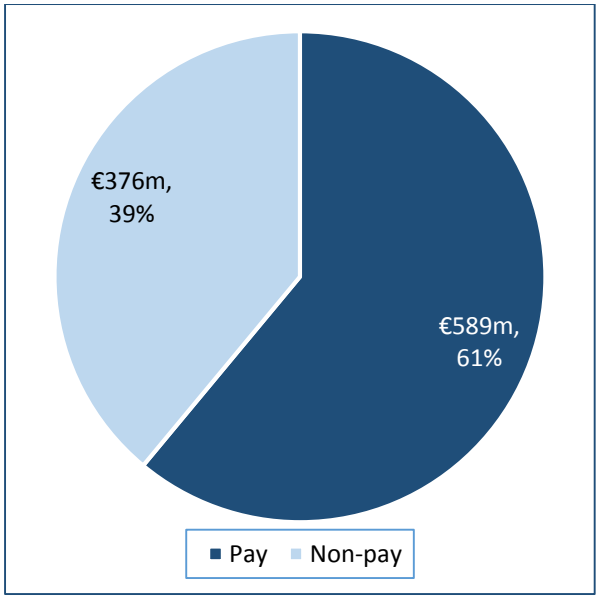


Source: HSE, Health Service Personnel Census December 2015

In terms of pay and non-pay elements of expenditure, the pay bill for core primary care services in 2016 is projected to be €593 million, 59.2% of the gross budget. Non-pay elements amount to €409 million, or 40.8% of the gross budget, with income of €38 million bringing the net budget to just under €965 million. While both pay and non-pay expenditure is expected to increase in 2016 compared with 2015, the proportions are expected to change slightly – the 2015 service plan had pay accounting for 61.0% of the gross budget and non-pay 39.0%.

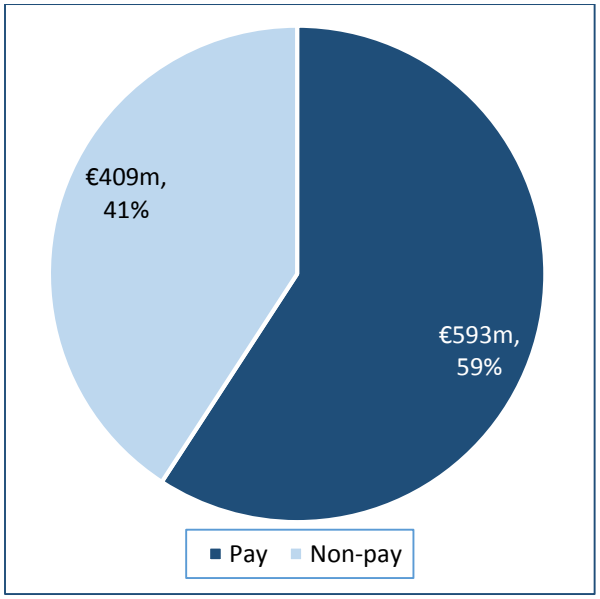
Gross budget broken down by pay and non-pay elements for 2015 and 2016 given in Figures 4 and 5 below.

Figure 4: Projected breakdown of pay and non-pay elements of primary care core services gross budget, 2015



Source: HSE, National Service Plan 2015

Figure 5: Projected breakdown of pay and non-pay elements of primary care core services gross budget, 2016



Source: HSE, National Service Plan 2016

At a regional level, Table 6 breaks down WTEs and the pay and non-pay proportions of gross spending for the 9 CHOs. Generally speaking, the composition of staff in each CHO reflects the national composition. The only respects in which a CHO's staffing levels deviate from the national proportion by more than 5 points are management and administration in Areas 7 and 9 and patient and client care in Area 7. The latter deviation may be explained by the fact that Our Lady's Hospice falls within Area 7, creating disproportionate demand for palliative care, while the former might be due to efficiencies of scale. Areas 7 and 9 have among the largest populations of all the CHOs and therefore might be able to realise administrative efficiencies that smaller CHOs cannot.

In contrast with the relatively consistent staff mix across the nine CHOs, considerable variation exists in the percentage of spending accounted for by pay. This ranges from 51.0% in Area 9 up to 74.1% in Area 1. However, while Area 1 covers a relatively large area in the North West and Area 9 covers only North Dublin, It would be premature to conclude that greater population density brings with it pay bill reductions; Areas 5 and 6, which cover the rest of Dublin along with Wicklow and Kildare, also have among the highest pay bills as a percentage of their total budget.

Table 6: WTEs September 2015 and pay/non-pay gross budget breakdown 2016 by CHO

	Medical/ Dental	Nursing	Health/ Social Care	Mgmt/ Admin	General Support Staff	Patient and Client Care	Total	Pay Budget (%)	Non-Pay Budget (%)
Area 1	78 *(0.07)*	285 *(0.27)*	276 *(0.26)*	306 *(0.29)*	47 *(0.04)*	79 *(0.07)*	1,071 *(1.00)*	74.1	25.9
Area 2	95 *(0.09)*	282 *(0.27)*	293 *(0.28)*	276 *(0.26)*	36 *(0.03)*	72 *(0.07)*	1,054 *(1.00)*	62.7	37.3
Area 3	77 *(0.10)*	182 *(0.24)*	151 *(0.20)*	249 *(0.32)*	48 *(0.06)*	67 *(0.09)*	774 *(1.00)*	51.5	48.5
Area 4	135 *(0.12)*	334 *(0.30)*	287 *(0.26)*	259 *(0.23)*	20 *(0.02)*	90 *(0.08)*	1,125 *(1.00)*	58.1	41.9
Area 5	78 *(0.10)*	244 *(0.30)*	219 *(0.27)*	197 *(0.24)*	26 *(0.03)*	51 *(0.06)*	815 *(1.00)*	64.5	35.5
Area 6	56 *(0.07)*	175 *(0.23)*	212 *(0.28)*	194 *(0.26)*	32 *(0.04)*	82 *(0.11)*	751 *(1.00)*	70.6	29.4
Area 7	112 *(0.07)*	493 *(0.30)*	352 *(0.21)*	305 *(0.18)*	145 *(0.09)*	262 *(0.16)*	1,669 *(1.00)*	62.2	37.8
Area 8	216 *(0.14)*	372 *(0.25)*	325 *(0.21)*	435 *(0.29)*	27 *(0.02)*	137 *(0.09)*	1,512 *(1.00)*	68.0	32.0
Area 9	115 *(0.10)*	310 *(0.27)*	307 *(0.27)*	250 *(0.22)*	54 *(0.05)*	113 *(0.10)*	1,149 *(1.00)*	51.0	49.0
Total*	**962** ***(0.09)***	**2,677** ***(0.26)***	**2,433** ***(0.24)***	**2,832** ***(0.28)***	**438** ***(0.04)***	**953** ***(0.09)***	**10,295** ***(1.00)***	**59.2**	**40.8**

*Includes 375 WTEs not working in a CHO.
Source: HSE, Primary Care Divisional Operational Plan 2016

Policy context

The most recent statement of the long-term vision for primary care services is set out in *Future Health*, published by the Department of Health in 2012. Among other things, this document envisaged a move away from a hospital-centric model of care towards one that treats patients as "close to home as possible", with universal access to primary care introduced on a phased basis and with primary care teams working from dedicated facilities. Primary care "should meet 90-95% of people's health and personal social care needs" with the management of chronic diseases moving from hospitals to the community, all underpinned by rigorous workforce planning and the prioritisation of primary care centres for capital investment.

While *Future Health* regards the above reforms as an "essential prerequisite" for the introduction of universal health insurance (UHI), much of its content dates back at least a decade, to the 2001 Health Strategy and publication of *Primary Care: A New Direction*. Then, too, primary care was viewed as the "appropriate setting to meet 90-95 per cent of all health and personal social service needs", with a "team-based approach to service provision" promoted, based in "single locations where possible".

The only substantial difference between the strategy from 2001 and that from 2012 is the introduction of universal primary care, a change which affects PCRS rather than core primary care services. To this end, free GP care for those aged under 6 and over 70 was introduced in Budget 2015, and Budget 2016 has since extended

this provision to all those aged under 12 subject to the agreement of a new GP contract. Regarding the other aspects of the reform agenda, the failure to implement the similar strategy from 2001 underlines the challenges posed, while the uncertainty that exists around the affordability of UHI[1] may see the whole endeavour begin to lose momentum.

Concluding remarks

This paper has attempted to outline core primary care services delivered by the HSE. These services encompass primary care, social inclusion and palliative care and are delivered through 9 Community Health Organisations. In 2016, core primary care services have a net budget of €965 million, or 7.5% of total HSE net current spending. This figure has grown considerably in recent years, rising from €508 million in 2011 – around an 80% increase in nominal terms. The gradual absorption of much of the Multi Care Group budget by core primary care services accounts for about three-quarters of this increase but, controlling for this, there has still been robust growth in spending in recent years with over €100 million in extra resources committed since 2013.

This investment is reflected by increased staffing levels. In the three years from the end of 2012, primary care staffing grew by 8.4%, compared with 1.7% for the rest of the health service, and these increases appear to have been targeted at nursing and health and social care professionals in particular, staffing in these categories increasing by 32.6% and 13.2% respectively. Nationally, staff pay makes up around 60% of gross current spending, though this ranges from just over half in CHO 9 to almost three-quarters in CHO 1.

In terms of capital, €160 million has been earmarked for the construction of new primary care centres from 2015 to 2019. This represents around 9% of the total €1.8 billion capital investment in healthcare across the period.

The above staffing growth and capital expenditure are underpinned by the vision for primary care services articulated in *Future Health*. Published in 2012, this document sets out the aspiration that 90-95% of the population's health needs will be catered for in the primary setting, with universal access and services delivered by primary care teams operating out of shared primary care centres. However, much of this has been proposed before and activity data makes clear that there is a long way to go. The challenge now will be to build on the progress made so far and deliver on this vision.

[1] Wren, M, Connolly, S. and Cunningham, N. 2015. *An Examination of the Potential Costs of Universal Health Insurance in Ireland*. Dublin: ERSI.

Appendix 1: Primary care activity

Table A1.1 below sets out expected full-year activity across Primary Care, Social Inclusion and Palliative Care for a range of indicators in 2014 and 2015. Where possible, annual percentage changes are also indicated.

Table A1.1: Primary Care Division projected activity, 2014 and 2015

Primary Care			
	2014	2015	Annual Change (%)
Community Intervention Team referrals	14,494	18,600	28.3
Physiotherapy referrals	184,596	192,884	4.5
Occupational therapy referrals	85,030	88,162	3.7
Patients receiving active orthodontic treatment	20,041	16,887	-15.7
Psychology referrals	-	12,261	-
Podiatry referrals	-	10,689	-
Ophthalmology referrals	-	22,261	-
Audiology referrals	-	18,317	-
Dietetic referrals	-	25,138	-
Nursing referrals	-	150,768	-
Speech and language therapy referrals	-	50,863	-
Social Inclusion			
	2014	2015	Annual Change (%)
Clients in receipt of opioid substitution treatment (outside prisons)	9,321	9,413	1.0
Substance misusers in receipt of treatment	1,156	4,960	329.1
Problem alcohol users in receipt of treatment	-	3,296	-
Individuals availing of needle exchanges	1,253	1,731	38.1
Pharmacies participating in Needle Exchange Programme	129	132	2.3
Needle exchange packs provided	3,303	3,628	9.8
Members of Travelling community given health information	-	2,228	-
Members of Travelling community participating in mental health initiatives	-	3,108	-
Palliative Care			
	2014	2015	Annual Change (%)
New patients seen or admitted to specialist palliative care services	-	9,089	-

Sources: HSE, Primary Care Division Operational Plans, 2015 and 2016