Dr Donal de Buitleir
Chair Impact Study on Private Care in Public Hospitals
C/O Room 424
Department of Health
Hawkins Street
Dublin 2, D02 VW90

Cork University Maternity Hospital
Wilton
Cork
T12 YE02
Ireland

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Dear Donal,

I am writing to you in response to your request for submissions on the issue of the phasing out of private practice from public hospitals. When I last engaged with you I was the Director of Reconfiguration in Cork and Kerry. Since then I had a term as Head of the College of Medicine & Health in UCC. I also led the process to reorganise the hospitals into hospital groups. I have now returned to my post as Professor of Obstetrics and Gynaecology and a new role which combines academic and clinical and executive leadership in the maternity services across the South South-West Hospital Group. I am the first clinical director in the HSE to have received the full legal delegation for their clinical service.

The views I express our based on my various experiences but are <u>personal</u> rather organisational views. Before making some observations I need to put my own biases on record. First, at the time of the negotiations of the current consultant contract in 2008, I argued strongly for a more open "deregulated" contract. I believe a much more flexible pragmatic approach is required to optimise consultant contribution to the hospitals. Second I have publicly supported universal health insurance (UHI) (though not by a complex method of managed competition). UHI remains in my view the best way to allow all citizens fair access to our health system while ensuring that both hospitals and clinicians are incentivised to deliver a better service.

My observations are based on the presumption that current consultant contracts will remain as they are and that we will not have a U.H.I funding model.

My observations on the removal of private practice from public hospitals would be as follows:

1. Currently hospitals need to income generate approximately 20% of their budget. Most of this would come from bed charges on private patients. I sincerely doubt, given the inevitable ongoing pressures on healthcare budgets, that this funding will be fully replaced. Losing this income is in my view unwise. Even partial replacement will inevitably impact on the public system. Has any comprehensive health economic assessment been done to include items such as the loss of tax revenue to the Government from Consultant (and their staff) private income?

2. We have a consultant recruitment crisis in Ireland. Partly this is due to the working environment within our hospitals. It is mainly due to the fact that we are falling behind in pay/conditions compared to our international competitors in the English-speaking world. Irish medical graduates are without exception the most sought-after graduates of any country anywhere in the world. It would require a very significant uplift in salary to turn this around and the financial challenge to the system will inevitably be greater if there is no private practice.

3. On the basis that private practice will continue to exist in private hospitals it is extremely likely that these private hospitals will be concentrated in Dublin and the bigger regional cities. Many more consultants will choose to work fulltime in the private sector. The public service will lose their clinical expertise.

4. The phasing out of private practice in public hospitals will effect smaller hospitals outside Dublin differentially. Consultant recruitment problems outside Dublin pose one of the greatest risks to the integrity of the entire Irish hospital system. Specifically, with regards to the maternity service, I would make the point that private obstetric care doesn't provide any temporal or access advantage. It is also not covered in routine health insurance policies in Ireland - patients are expected to make an out-of-pocket payment. This makes the enduring popularity of this option worth reflecting upon. It is an example of genuine patient choice. There will be no alternative in the private hospital sector and I think the lack of choice in maternity services will cause disquiet if implemented.

In summary, I am saddened that the option of UHI is no longer being discussed. The phasing out of private practice from public hospitals, in my view, poses significant risks to our public hospitals. If private practice continues but only in private hospitals, we will end up with a two-tier hospital system which will disadvantage all who depend on public hospitals.

Yours sincerely,

John R. Higgins

Professor of Obstetrics and Gynaecology
Clinical Director Maternity Services
South/Southwest Hospital Group