Pre-Budget Submission: 2016

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Submission by:

THE IRISH HOSPITAL CONSULTANTS ASSOCIATION

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Foreword

As Ireland recovers from the financial crisis, we need to ask ourselves: What sort of Ireland do we want? Should those most in need - acutely ill patients - benefit from the recovery? They are not being well served at present.

Our acute hospital and mental health facilities and services are in crisis.

Unfortunately this is the only conclusion that I can draw given the conditions and standards that both our patients and frontline staff endure. June is traditionally one of the less overstretched months of the year in Irish hospitals, yet the number of patients on trolleys in Emergency Departments have set new records, waiting lists have increased to new highs and our frontline staff are struggling to do more with less.

For the last number of years, the key request in our pre-budget submissions has been for increased funding so that consultants can treat patients without the serious delays that are adversely impacting on their chances of a good recovery. It is extremely disappointing that this is yet again our plea this year.

Without sufficient resources and funding for our acute hospital and mental health services, we cannot hope to provide the high quality safe healthcare services that Ireland's patients need and deserve. A small increase in budget funding will not be sufficient to address the cumulative effects of severe budget cuts in recent years and the significant ongoing increased levels of demand for patient care. Instead a substantial increase in frontline acute resources is required without delay so that we can treat patients in an appropriate timeframe and invest in facilities and equipment which are urgently needed.

There was grave concern earlier this year about the appalling conditions that existed in our Emergency Departments and acute services generally throughout the country. Following lengthy consultation, the ED Taskforce Report was published in early April. It included promises and action plans which were intended to resolve the overcrowding, reduce delays in providing care, reduce waiting lists and free up acute hospital beds occupied by clinically discharged patients. However, our hospitals remain dangerously overstretched and the signs are clear - we are heading for an even worse situation as the Autumn and Winter approaches unless the lack of capacity and resources are addressed urgently. Make no mistake about it – Ireland's Emergency Departments and acute hospitals will not be capable of delivering high quality safe care to patients unless substantially increased resources are provided without further delay.

In recent weeks there were headlines when a number of 100 year old patients spent over 24 hours on trolleys while awaiting admission for essential and urgent inpatient treatment. There are significantly more patients awaiting care today than there were this time last year. As we approach the 1916 Centenary, is this the best that we can do after one hundred years?

The fact is that our acute hospital and mental health services are in a state of crisis. Frontline staff cannot treat the number patients requiring urgent complex care. Our hospitals are operating well beyond the internationally recommended bed occupancy levels thereby jeopardising the safety and quality of care that can be provided to patients. The end result is an increase in adverse outcomes. The overstretched situation is resulting in some very serious consequences for patients.

Appropriate funding is vital for several reasons. The quality and safety of patient care is dependent on the health service being competitive in attracting and retaining an increased number of high calibre consultants. The

continuing recruitment crisis is due to extremely difficult working conditions in our acute services and repeated breaches of contracts and agreements by the State. The ongoing failure to fill a large number of permanent consultant posts effectively means unsustainable working conditions, growing gaps in service delivery and increased stress for patients and frontline staff.

The Minister for Health has acknowledged that the lack of funding and capacity are causing serious problems. It is time to properly address the crisis. While we understand that other government departments will be seeking additional funds – surely the delivery of timely, high quality safe care to patients needs to be prioritised?

It is time to act.

Dr Gerard Crotty
President, IHCA

Executive Summary

Continuing Underfunding and Increased Demand

It is a major concern that the budget for acute hospitals in 2015 is 14% below the 2008 budget despite the increased number of patients seeking hospital care in the interim. Supplementary budgets on a yearly basis confirm that the budgets from 2008 through to 2014 have not been realistic because they underprovided for actual demand. Patient demand for hospital care has increased significantly since 2008. Inpatients and day-case patients treated increased by 21% from 1.24 million in 2008 to 1.50 million over the six years to 2014 against a backdrop of successive budget reductions. The acute hospital expenditure in the first four months of 2015 was €61m (5%) over budget, confirming that the problem of underfunding continues in 2015 despite a nominal increase in the 2015 budgets. The acute hospital budget is dangerously underfunded taking account of cumulative budget cuts, increases in demand, growing waiting lists, unmet patient needs and the effects of inadequate capital investment in infrastructure and facilities over the years.

The IHCA strongly recommends that the 2016 acute hospital Budget be increased substantially to ensure that sufficient funding is provided to treat patients in a medically appropriate timeframe and invest in the physical infrastructure and equipment which is urgently required. The budget needs to be based on realistic estimates of demand taking account of the increased numbers of patients awaiting care and demographic pressures which add an estimated 3% to demand on an annual basis. Failure to adequately fund acute hospitals will continue to jeopardise the safety and quality of care that can be provided and limits the number of patients that can be treated.

Growing Waiting Lists and Timely Delivery of Care

The numbers of patients awaiting care has continued to grow because of insufficient funding in the 2015 budget. There were 402,685 outpatients and 67,195 inpatients and day-case patients awaiting care as at 30 June 2015, 15% and 27% respectively above year earlier levels. In addition, there were 15,925 patients awaiting gastrointestinal endoscopies, an increase of 49% in the past year. Targets for the delivery of care should be based on medical need rather than unrealistic budget limits which are insufficient. The current target that no patient will wait longer than 18 months for treatment compares very unfavourably with the targets in other countries.

The IHCA strongly recommends that substantially increased frontline resources are provided to ensure that waiting lists and delays in providing treatment are significantly reduced for patients. In addition, the current delays in providing elective surgery also need to be reduced significantly.

Bed Stock, Occupancy, Delayed Discharges and Patients on Trolleys

Ireland has one of the lowest number of acute and ICU beds on a population basis in the OECD combined with high levels of clinically discharged patients and a bed occupancy level well in excess of the recommended norms. Given the increased demand, it has resulted in record numbers of patients being treated on trolleys and in emergency departments.

The IHCA strongly recommends that significantly increased acute frontline resources are required to provide the necessary acute and ICU bed capacity and theatre operating facilities to treat the increasing numbers of patients presenting for care. The failure to transfer clinically discharged patients to appropriate care facilities is further undermining the capacity of acute hospitals to treat patients. Closed beds and restricted access to theatre facilities represent an enormous loss to the public health system and patients. The only appropriate

target is that no patient should have to wait on a trolley after a decision to admit to an inpatient bed has been taken in an emergency department.

Medical Recruitment and Retention Crisis

The failure to fill permanent consultant posts arises principally from the increasingly difficult workplace conditions and continuous breaches by the State of contracts and agreements. It is clear that the State has failed to address the recruitment and retention crisis. The discriminatory employment terms offered by the HSE to potential applicants are failing to attract and retain the number of high calibre consultants needed to provide care to patients. Unless full parity is restored, it will perpetuate the problem of consultant vacancies and continue to undermine the provision of timely care for patients. It is a major concern that there were in excess of 300 permanent consultant posts that could not be filled based on recent reports.

The IHCA strongly recommends that the Consultant recruitment and retention crisis is resolved by the State fully reversing the 2012 unilateral 30% salary cut to ensure parity for new entrant consultants as a matter of urgency. In addition, the terms of the 2008 Consultant Contract must be honoured to restore trust and ensure that Ireland regains its competitiveness in recruiting consultants.

Mental Health

The Mental Health budget has been cut sharply over recent years at a time of increasing demand. As a result the service is severely overstretched due to staffing and frontline resource shortages.

The IHCA strongly recommends that the funding for the Mental Health Service in the 2016 budget be increased significantly. This is essential to ensure the delivery of timely care to an increasing number of mental health patients. It is also recommended that the additional €35 million provided in the Mental Health Service 2015 Budget is expended on a timely basis to recruit additional staff and improve care for patients.

Clinical indemnity

The cost of clinical indemnity has escalated in recent years for public hospitals and consultants in private practice. This is reducing the funding available for acute hospital frontline care and forcing an increasing number of consultants to cease private practice or increase their charges to patients. There is a concern, as private practices close, that more patients will require surgical and medical care in public hospitals which are struggling to cope with existing demand.

The IHCA strongly recommends that the Oireachtas reforms the law in this area and expedites implementation of the recommendations of the High Court Working Group on Medical Negligence. These measures include the adoption of pre-action protocols, Rules of Court and other reforms. This is essential to reduce future costs for the State and release funds to be redirected towards the provision of high quality healthcare services.

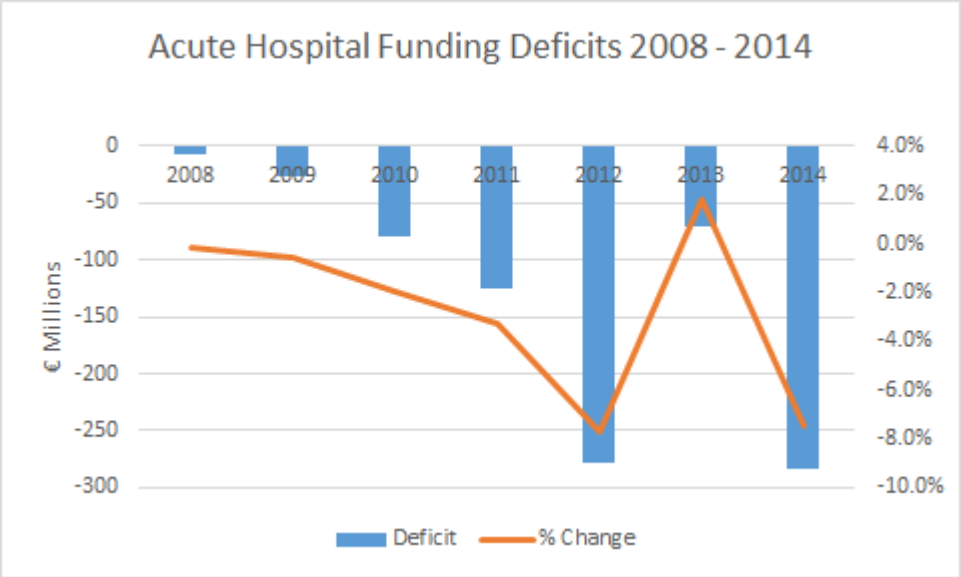
The IHCA also strongly recommends that the Caps applying to private indemnity claims should be reduced. The Joint Oireachtas Committee on Health recently supported this recommendation. Also the potential benefit of the SCA offering indemnity cover for Consultants in private practice needs to be assessed further.

1. Continuing Underfunding and Increased Demand

Underfunding:

1.1. Acute hospitals have been significantly underfunded for years. End of year deficits before inclusion of supplementary budgets have severely constrained the delivery of care. Deficits of €279m (7.7%), €70m (1.8%) and €284m (7.5%) from 2012 to 2014 demonstrate to some degree the extent of underfunding (Figure 1). The scale of underfunding is much greater when growing waiting lists, unmet patient needs, staffing shortages and infrastructure investment requirements are taken into account.

Figure 1: Acute Hospital funding deficits 2008 to 2014

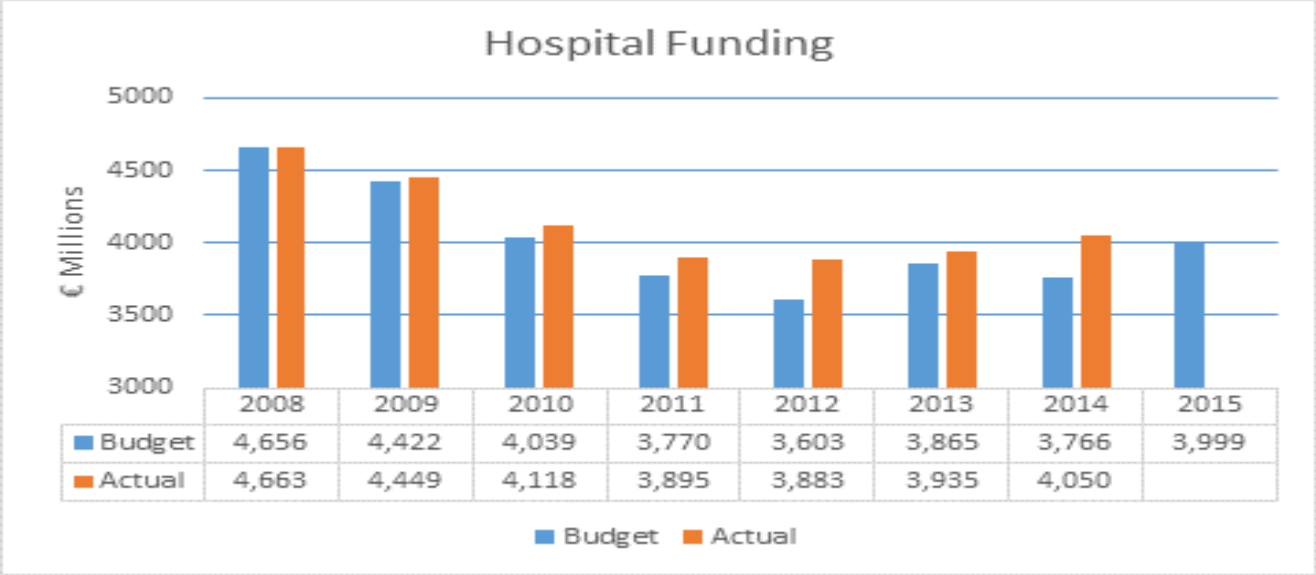


Source: HSE Performance Reports

1.2. Despite a nominal increase of €216m in the 2015 acute budget, funding for acute hospital services has been cut by €657m (14%) between 2008 and 2015 (Figure 2). The cumulative effect of the cuts is that acute hospitals in 2015 continue to be severely overstretched and it has led to a reduction in the numbers of patients being treated. This has inevitably led to a delay in the timely provision of patient care and growing waiting lists.

1.3. Acute hospitals need substantially increased funding but in reality this year's budget is €50m (1.23%) less than last year's actual spend and fails to address the continuing underfunding problems. The effect of demographic factors add an estimated 3% to demand on an annual basis. As a result of these two factors alone, the acute hospital system is underfunded this year by an estimated €170 million which is 4.25% below the funding needed to provide a similar level of service as last year. In addition, the outturn for 2014 included significantly increased waiting lists and unmet patient needs for which funding has not been provided.

Figure 2: Acute Hospital funding 2008 – 2015 (€millions)

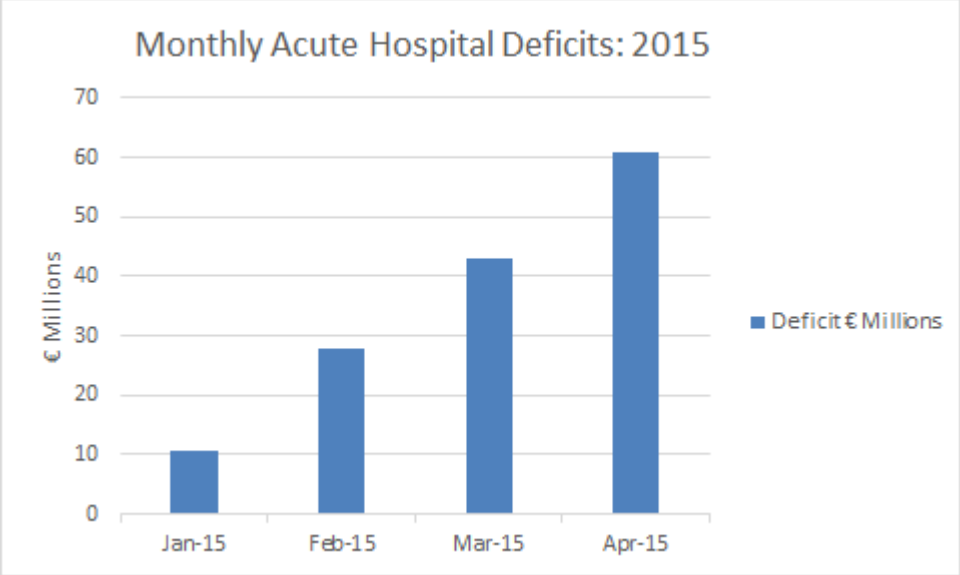


	2008	2009	2010	2011	2012	2013	2014	2015
Budget	4,656	4,422	4,039	3,770	3,603	3,865	3,766	3,999
Actual	4,663	4,449	4,118	3,895	3,883	3,935	4,050	

Source: HSE Performance Reports.

1.4. It is a major concern that acute hospital expenditure as at the end of April 2015 was €61m (5%) overspent compared with the target budget (Figure 3).

Figure 3: Acute Hospital & HSE Funding (January to April 2015)

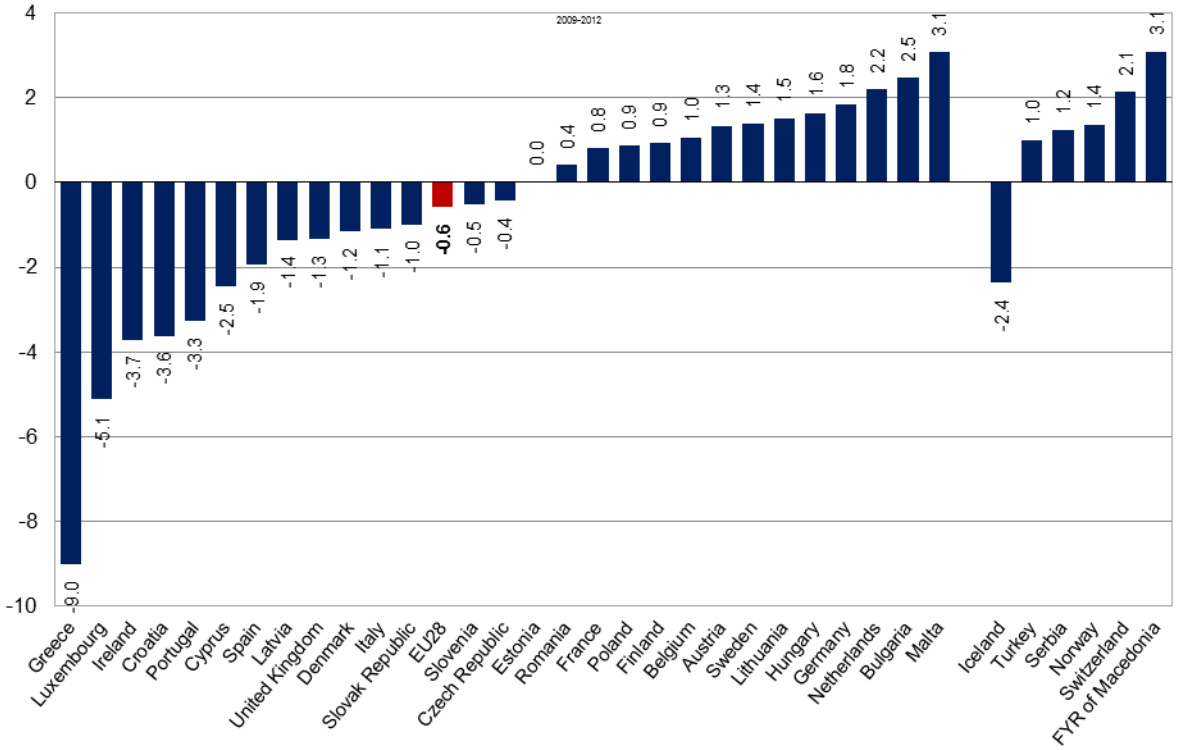


Source: HSE Performance Reports

1.5. The extent of the underfunding problem is highlighted by the fact that 43 of the 49 acute hospitals and all the seven hospital groupings reported deficits at the end of April 2015. Five acute hospitals were over budget by between 10% and 16%, (Tables 1 and 9, Appendix). It is clear that it is not possible for acute hospitals to cut spending to stay within unrealistic annual budget limits without extremely adverse consequences which jeopardise the safety and quality of care that can be provided and limits the number of patients that can be treated.

1.6. Ireland's healthcare expenditure was cut by 3.7% in real terms between 2009 and 2012, based on OECD reports. This was the third highest cut in the OECD (Figure 4). Ireland compares unfavourably with most other OECD countries who either increased their health spending or suffered lower reductions over the period. As already outlined, Ireland's acute hospital budget has been cut by 14% over the 2008 to 2015 period despite increased demand for care. Accordingly, our acute hospital service has been cut more severely than the OECD overall healthcare funding data indicates.

Figure 4: Annual average growth rate in per capita health expenditure, real terms, 2009 to 2012



Source: OECD Health Statistics 2014

1.7. In terms of health expenditure as a % of GDP, Ireland is ranked 23 out of 34 OECD countries at 8.9% in comparison with an OECD average of 9.3%. The recently published 2015 OECD statistics confirm Ireland's health expenditure at 8.1% of GDP in 2012. Ireland is 24 out of 34 on doctors per 1000 population with 2.7 compared with an OECD average of 3.2. Our hospitals are ranked 27 out of 34 on the number of acute beds per 1000 population with 2.8 compared with the OECD average of 4.8 (Table 3).

Table 3: Selected Key Facts for Ireland from OECD Health Statistics 2014

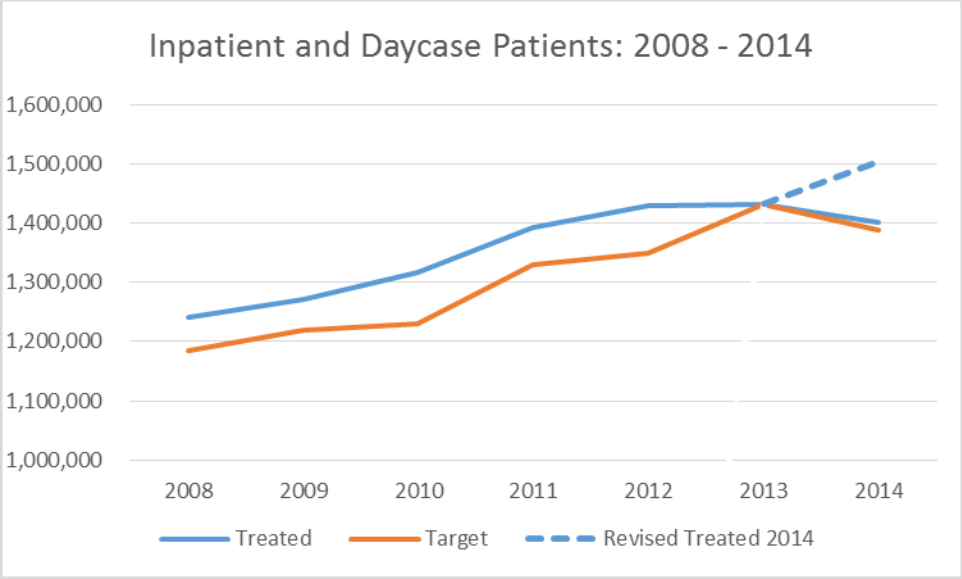
	Ireland **2012**	**OECD Average** **2012**	**Rank among OECD Countries ***
Health Status			
Health expenditure			
Health expenditure as a % GDP	8.9	9.3	23 out of 34
Health Expenditure per capita (US$ ppp)	3890	3484	14 out of 34
Pharmaceutical expenditure per capita Expenditure per capita (US$ ppp)	666	498	6 out of 33
Pharmaceutical expenditure (% health expenditure)	17.8	15.9	12 out of 33
Public expenditure on health (% health expenditure)	67.6	72.3	25 out of 34
Out of pocket payments for health care (% health expenditure)	16.9	19.0	18 out of 34
Health care resources			
Number of doctors (*per 1000 population)	2.7	3.2	24 out of 34
Number of nurses (per 1000 population)	12.6	8.8	5 out of 34
Hospital beds (per 1000 population)	2.8	4.8	27 out of 34

Source: OECD Health Statistics 2014.

Increased Demand:

1.8. The total number of in-patients and day-case patients treated in Ireland increased by 190,000 (14%) from 1.24 million in 2008 to 1.43 million in 2013 but declined by 30,655 (2.1%) in 2014 based on the HSE December 2014 Performance Report published in early 2015 (Figure 5). A subsequent HSE Performance Report for April 2015 includes a total of 1.50 million in-patient and day-case patients treated in 2014, an increase of some 70,000 on the 2013 outturn (Table 2, Appendix). The Association's submission is based on the assumption that the more recent figures are accurate. Based on these figures, the total number of in-patients and day-case patients treated in Ireland increased by 260,000 (21%) from 1.24 million in 2008 to a peak of 1.50 million in 2014.

Figure 5: Inpatient and Daycase totals 2008 to 2014



Source: HSE Performance Reports

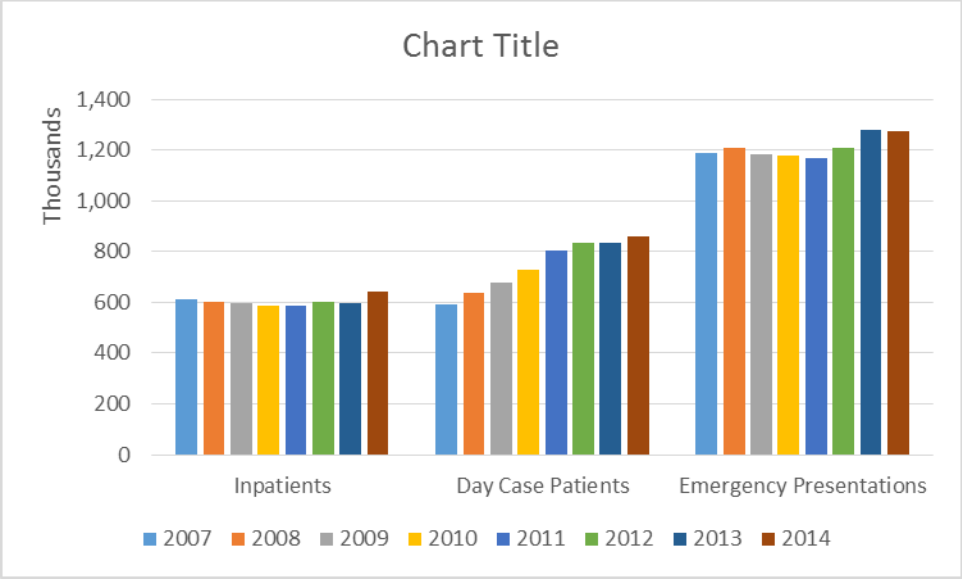
1.9. The number of inpatients treated to the end of April this year was 5,022 (2.3 %) below target and 4,700 (2.2%) below the number of inpatients treated in the same period last year (Table 2, Appendix). The number of day-case patients treated was 4,380 (1.5%) below target. The primary reason for the reductions is that there is insufficient capacity in acute hospitals to treat patients because of the cumulative impact of budget cuts, including frontline resource and staff shortages.

The IHCA strongly recommends that the 2016 acute hospital Budget be increased substantially to ensure that sufficient funding is provided to treat patients in a medically appropriate timeframe and invest in the staffing, physical infrastructure and facilities that this requires. The budget needs to be based on realistic estimates of demand taking account of demographic pressures which add an estimated 3% to demand on an annual basis. Failure to adequately fund acute hospitals will continue to jeopardise the safety and quality of care that can be provided and limits the number of patients that can be treated.

2. Growing Waiting Lists and Timely Delivery of Care.

2.1. Demand for patient care in acute public hospitals has continued to increase in recent years, driven by our ageing population and the reduction in the number of patients with private health insurance (Figure 6). Hospital consultants and doctors are struggling to treat an increased number of acute hospital patients due to the severe reductions in acute hospital resources.

Figure 6: Patients Treated 2007 to 2014



Source: HSE Performance Reports, including April 2015

2.2. The number of patients on waiting lists continues to grow because of insufficient funding. The capacity of hospitals to reduce waiting lists is severely restricted by insufficient frontline resources (hospital beds, theatre facilities) and the ongoing failure to attract and retain the required staff to provide timely delivery of care to patients.

2.3. The most recent NTPF data on waiting lists as at 30 June 2015 confirm that there were 67,195 patients awaiting essential inpatient and day-case care, an increase of 27% on the same month last year (Table 4, Appendix). In addition, a total of 15,925 patients were awaiting gastrointestinal endoscopies, an increase of 49% in the past year. The number of out-patients awaiting consultant appointments increased by 15% over the same period to 402,156. These increases reflect the effects of budget and other frontline resource cuts including consultant vacancies at a time of increasing patient demand for acute services.

2.4. It is a major concern that the progress achieved in treating an increased number of patients in recent years is being undermined due to a lack of frontline resources. The number of inpatients treated in the first four months of 2015 was 210,204, 2.3 % below National Service Plan target of 215,226 and 4,700 (2.2%) below the number of inpatients treated in the same period last year (Table 5).

Table 5: Inpatient and Daycase Numbers (April 2014 versus April 2015)

	Day Case patients treated	**Change on previous year**	**Inpatients Treated**	**Change on previous year**
April 2014	288,151	-2%	214,904	+1.5%
April 2015	288,746	+0.2%	210,204	-2.2%

Source: HSE Performance Reports April 2014 & April 2015

2.5. The number of outpatients awaiting their first consultant appointment has increased by 15% in the past year to 402,156. (Table 6)

Table 6: Outpatient Waiting List, selected months 2014 versus 2015

Outpatient Waiting List	0-6 months	6-12 months	Over 12 months	Total
January 2014	212,086	87,806	9,604	309,496
March 2014	223,230	91,756	16,295	331,281
June 2014	226,513	89,357	31,813	347,683
January 2015	219,398	109,700	66,622	395,720
March 2015	220,973	107,209	77,319	405,501
June 2015	230,271	101,321	70,564	402,156

Source: National Treatment Purchase Fund.

The principal reasons for the increasing waiting lists are:

- **A lack of frontline resources** including:
    a. **Acute and ICU beds**
    b. **Operating facilities**
    c. **Clinical and support staff**
- **Insufficient medical staffing levels.**
- **Vacant consultant posts and recruitment difficulties**

The IHCA strongly recommends that substantially increased frontline resources are provided to ensure that waiting lists and delays in providing treatment are reduced for patients. In addition, the current delays in providing elective surgery also need to be reduced substantially.

3. Bed Stock, Bed Occupancy, Patients on Trolleys and Delayed Discharges

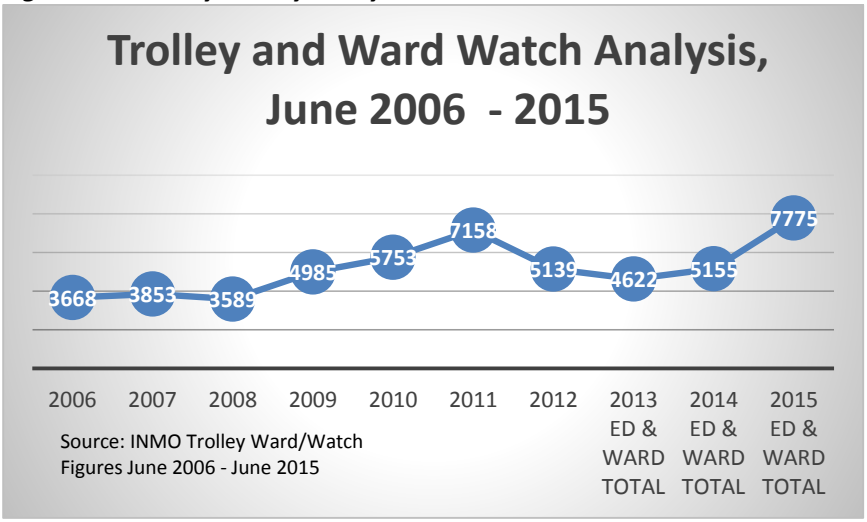
3.1. The number of publicly funded acute inpatient beds is some 15% below 2006 levels. Ireland's reported acute hospital bed capacity at 2.8 per 1000 population is low in comparison with other countries and the OECD average of 4.8 per 1,000 population. Ireland ranks 27 out of 34 when compared with other OECD countries on bed capacity.

3.2. The Prospectus Report in 2009 recommended an immediate 45% increase in the number of critical care beds from 289 to 418 beds with further increases to 579 beds between 2010 and 2020. This Report has not been acted on and the number of reported critical care beds in late 2014 was estimated to have declined to 233.

3.3. Ireland's acute bed occupancy is well in excess of the internationally recommended 85% occupancy level for safety purposes.

3.4. 7,775 patients were treated on trolleys while awaiting an in-patient bed in June 2015. This was 50% above the June 2014 figure and more than double on the 2006 figure, when the then Minister for Health had declared the crisis 'a national emergency'.

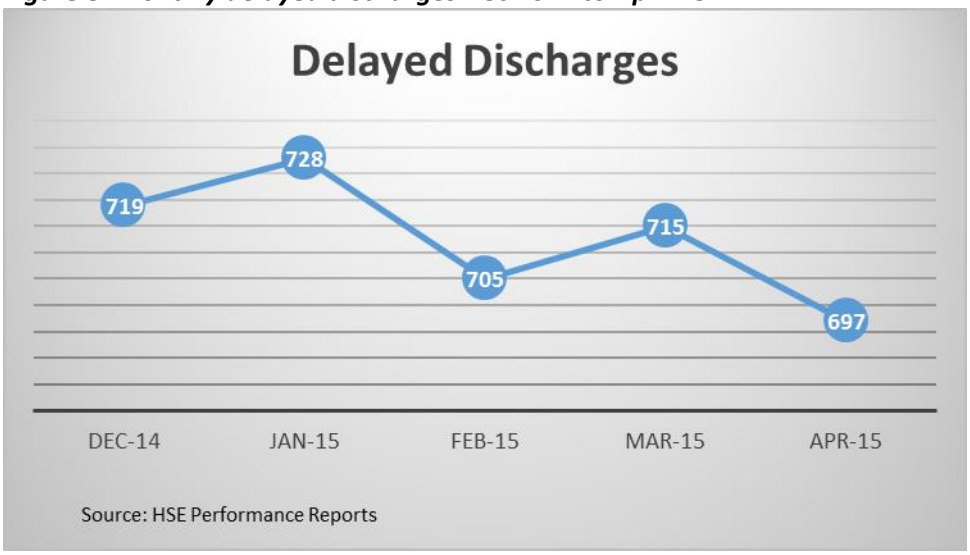
Figure 7: Monthly Trolley Analysis June 2006 – June 2015



3.5. Good clinical practice requires that no patient should have to be treated on a trolley after a decision to admit to an inpatient bed has been taken in an emergency department. It leads to increased mortality, longer lengths of stay and poorer patient outcomes in general. The number of patients on trolleys this year heightens concerns that more patients than ever may need to receive care on a trolley in overcrowded Emergency Departments during this Autumn/Winter, unless increased frontline resources are provided without delay.

3.6. The number of clinically discharged patients in acute hospital beds continues to be a major issue. It set a new record in January 2015. While there has been a limited decline in the interim, some 697 beds were unavailable to new admissions as at April 2015 according to the most recent HSE Performance Assurance Report. This is equivalent to Beaumont Hospital or University Hospital Galway being closed throughout the year (Figure 8).

Figure 8: Monthly delayed discharges Dec 2014 to April 15



The IHCA strongly recommends that significantly increased acute frontline resources are required to provide the necessary acute and ICU bed capacity and theatre operating facilities to treat the increasing number of patients presenting for care. The failure to transfer clinically discharged patients to appropriate care facilities is further undermining the capacity of acute hospitals to treat patients. Closed beds and restricted access to theatre facilities represent an enormous loss to the public health system and patients. The only appropriate target is that no patient should have to wait on a trolley after a decision to admit to an inpatient bed has been taken in an emergency department.

4. Medical Recruitment and Retention Crisis.

4.1. Ireland has around two thirds the number of hospital consultants recommended in the Hanly Report a decade ago. In the interim, the demand for care has grown substantially due to the country's increasing and ageing population. In some specialties, the country has around one third to half the number of hospital consultants compared with the recommended international norms. Based on the number of doctors licensed to practise, Ireland has 2.7 doctors per thousand population according to the OECD Health at a Glance 2014 Report. On that basis, Ireland has 16% fewer doctors than the OECD average of 3.2 per thousand.

4.2. The State's repeated breaches of the 2008 Contract and the ongoing attempts to impose discriminatory contract terms on new entrant consultants are fundamental causes of the medical brain drain and the NCHD and Consultant recruitment and retention crisis. It is clear that our health services are no longer competitive in attracting and recruiting the number of high calibre consultants that are needed to provide safe high quality care to the increasing number of patients presenting for care.

4.3. It is clear that the State has failed to address the recruitment and retention crisis. The discriminatory employment terms offered by the HSE to potential applicants are failing to attract and retain the number of high calibre consultants needed to provide care to patients. Unless full parity is restored, it will perpetuate the problem of consultant vacancies and continue to undermine the provision of timely care for patients. It is a major concern that there were in excess of 300 permanent consultant posts that could not be filled based on recent reports.

The IHCA strongly recommends that the Consultant recruitment and retention crisis is resolved by the State fully reversing the unilateral 30% salary cut to ensure parity for new entrant consultants as a matter of urgency. In addition, the terms of the 2008 Consultant Contract must be honoured to restore trust and ensure that Ireland regains its competitiveness in recruiting consultants.

5. Mental Health Services

5.1. The 2015 Mental Health budget totals €791.8m, which is equivalent to 6.5% of the total health budget. This is a low percentage by international standards. The Mental Health budget has been cut by almost €214m, or 21%, between 2009 to 2015 (table 9). The Mental Health service expenditure totaled €245.2m in the first four months of 2015, €0.6m over budget. The cost of pay was €0.9m under budget.

Table 9: Current Expenditure for Mental Health, 2009 - 2015

Mental Health Provisional Outturn	**Provisional Out-turn** €'000
2009	1,006,682
2010	963,324
2011	712,000
2012	711,000
2013	758,200*
2014	754,800*
2015	791,800*
% Change 2009 – 2015	*-214,882 -21%*

Source: Department of Finance National Service Plan 2015 and Mental Health Division
**Includes ring-fenced Programme for Government funding*

5.2. It is essential that the ring-fenced additional Programme for Government funding of €35million allocated to Mental Health Services in 2015 is used to increase staffing levels and other supports to deliver improved mental health services. Similar funding in previous years had not been fully spent due to delays in appointing staff. It is estimated that 883 of the 1,144 additional posts funded in the previous three years (2012 – 2014) are filled, leaving 261 vacant.

5.3. The failure to recruit frontline staff as planned and fill consultant psychiatrist posts on a permanent basis is undermining the provision of mental health care to patients. This is a particularly worrying development at a time when demand for care has grown substantially due to the country's increasing and ageing population. Overall total Mental Health staffing levels have declined by 686 since 2007 (-6.8%).

5.4. In April 2015 the total number of patients cared for by the Child and Adolescent Mental Health Services (CAMHS) was some 17% above target. However, significant shortfalls in the provision of mental health services have arisen. In this regard, waiting lists for CAMHS have increased by 24% in the 3-6 month time period and by 14% in the 6-9 month time period.

The IHCA strongly recommends that the funding for the Mental Health Service in the 2016 budget be increased significantly. This is essential to ensure the delivery of timely care to an increasing number of mental health patients. It is also recommended that the additional €35 million provided in the Mental Health Service 2015 Budget is expended on a timely basis to recruit additional staff and improve care for patients.

6. Clinical Indemnity

6.1. In recent years Ireland has experienced an increase in the size and number of clinical negligence claims borne by the State and by medical defence organisations. The Medical Protection Society (MPS) acknowledges that this is not attributable to a deterioration in clinical standards but rather reflects a generally more active claims environment. The Joint Oireachtas Committee on Health and Children in its recent report also noted evidence that the number of Consultants and

general resource levels play a contributory role in the incidence of errors. This is particularly significant in the context of public hospitals that are underfunded.

The State Claims Agency (SCA) is reimbursed on a monthly basis from the Department of Health Vote (formerly the HSE vote) for its pay-outs under the Clinical Indemnity Scheme (CIS). The total cost of all claims resolved has increased from €21.69m in 2008 to €69.68m in 2014. This represents a significant cost burden for the State and acts as a drain on funds that would be better spent on the delivery of frontline health services.

The SCA recently advised the Joint Oireachtas Committee on Health and Children that the Agency currently has 2,840 current clinical claims under management, with an estimated contingent liability of €1.159 billion in respect of those claims.

Tables 7 and 8 in the Appendix confirm the cost and the number of clinical claims resolved between 2008 and 2014.

The IHCA strongly recommends that the Oireachtas reforms the law in this area and expedites implementation of the recommendations of the High Court Working Group on Medical Negligence. These measures include the adoption of pre-action protocols, Rules of Court and other reforms. This is expected to reduce future costs for the State and release funds to be redirected towards the provision of high quality healthcare services.

The implementation of such measures would also have beneficial effects in the context of clinical indemnity costs for Consultants in private practice.

6.2. In recent years, clinical indemnity costs for consultants in private practice have increased dramatically. The cost of clinical indemnity has doubled for certain specialties in the past two years. In the past year alone, clinical indemnification charges payable by consultants in private practice increased on average by around 43%. These increases in 2014/15 are on top of increases of up to one third in 2013 alone. These substantially increased indemnity charges have become increasingly unaffordable in the light of cuts in health insurer procedure fees of 20% or more since 2008.

The net effect of the escalating costs of indemnity charges is that an increasing number of Consultants have ceased private practice. An estimated twenty consultants ceased private practice in 2014 because the cost of clinical indemnity had become unaffordable and more have ceased or are planning to cease this year if the unaffordable costs are not addressed. Independent hospitals account for about 40% of the total number of theatre procedures requiring anaesthesia in acute hospitals. Consultants in private practice also provide care for medical patients and are responsible for a significant proportion of outpatient consultations. There is a concern that if private consultants close their practices, more patients will be forced to seek surgical and medical care in public hospitals which are already struggling to cope with existing patient numbers and growing waiting lists. An increase in the number of patients seeking care in the public system could also lead to an increase in the number of clinical claims falling under the remit of the SCA.

The IHCA strongly recommends that the Caps applying to private indemnity claims should be reduced. The Joint Oireachtas Committee on Health recently supported this recommendation. The potential

benefit of the SCA offering indemnity cover for Consultants in private practice should be assessed further.

7. Conclusions

In conclusion, the Association is calling for substantially increased funding for frontline healthcare services so that the challenges set out in this submission can be effectively addressed.

The cumulative cuts in health budgets since 2008 have undermined the delivery of frontline acute hospital and mental health services. Hospital consultants working in acute hospitals and mental health services are struggling to treat an increased numbers of patients with insufficient facilities, staffing and essential frontline resources.

It is critically important that the funding for frontline acute hospital and mental health services permits the treatment of patients presenting for care in a medically acceptable timeframe otherwise waiting lists will continue to rise. It is not possible for hospitals and mental health services to cut spending to stay within unrealistic annual budget limits without extremely adverse consequences which jeopardise the safety and quality of care that can be provided and limits the number of patients treated.

The consultant recruitment and retention crisis needs to be resolved as a matter of urgency by the State fully reversing the 2012 unilateral 30% salary cut to ensure parity for new entrant consultants. In addition the terms of the 2008 Consultant Contract must be honoured to restore trust and ensure that Ireland regains its competitiveness in recruiting consultants.

The growing cost of clinical indemnification, whether through the SCA or medical defence organisations, has a clear impact on the health budget and the capacity of the health service to provide high quality patient care. There is an urgent need to reform the law to reduce costs medium term. In addition, more immediate actions are required.

APPENDIX

Table 1: Acute Hospital Funding 2008 – 2015 (€millions)

	2008	2009	2010	2011	2012	2013	2014
Hospital Deficits €millions	**7**	**27**	**79**	**125**	**279**	**70**	**284**
% deficit	**0.2%**	**0.6%**	**2.0%**	**3.3%**	**7.7%**	**1.80%**	**7.5%**

Source: HSE Performance Reports.

Table 2: Hospital Activity: 2008 – 2015

	2008	2009	2010	2011	2012	2013	2014	2015(YTD)	% Change 2007/ 2014
% Treated/ Tgt **Inpatient Discharges**	*+1.8%*	*+3.7%*	*+8.8%*	*+2.5%*	*+7.4%*	*-1%%*	*+.02%*	*-2.3%*	
Treated	604,320	595,022	588,860	588,623	603,911	595,109	642,892	210,204	+6.4% 38,572
Target	593,859	573,360	540,993	574,400	562,133	600,887	591,699	215,226	
% Treated / Tgt **Day-case**	*+7.9%*	*+4.4%*	*+5.7%*	*+6.5%*	*+5%*	*+0.79%*	+1.4%	*-1.5%*	
Treated	637,140	675,611	728,269	804,274	826,825	836,789	861,057	288,746	+35.1% 223,917
Target	590,016	647,000	689,310	755,100	787,557	830,165	797,328	293,134	
Treated Inpatient and Daycase Total	**1,241,460**	**1,270,613**	**1,317,129**	**1,393,347**	**1,430,736**	**1,431,898**	**1,503,949**	**498,950**	+21.1% 262,489
% Treated / Tgt **Emergency Admissions**	*-0.3%*	*-.08%*	*+11.7%*	*+3.1%*	*+7.5%*	*+3.3%*	*-1.3%*	*-3.7%*	
Treated	368,341	366,690	369,031	372,644	384,641	393,846	396,936	147,435	+7.7% 28,595
Target	369,368	367,000	330,298	361,400	357,600	380,990	402,202	153,066	

Source: HSE Performance Reports, including April 2015

Table 4: Inpatient and Day-case Elective Surgery Waiting Lists, 2014 – 2015

Inpatient & Day-case	June 2014	June 2015	*% Increase*
	52,595	67,195	*27%*
June 2015	**June 2015**	**June 2015**	
Adult	**0-6 Months**	**>6 months**	**TOTAL – June 2015**
Inpatient	9,553	7,524	17,077
Day-case	27,166	16,407	43,573
Child			
Inpatient	2,047	1,049	3,096
Day-case	2,549	908	3,449
Total			**67,195**

Source: HSE Performance Reports & National Treatment Purchase Fund.

Table 7: CIS clinical claims resolved from 2008 to 2014

Cost Element	2008	2009	2010	2011	2012	2013	2014
	€m	€m	€m	€m	€m	€m	€m
Cost for all Claims Resolved							
Awards/Settlements	11.00	12.84	33.79	33.51	35.36	37.44	44.44
Legal Fees - SCA	4.39	4.33	7.85	7.09	8.60	9.84	9.33
Legal Fees - plaintiff	5.46	4.43	12.37	12.53	12.96	16.03	14.68
Other	0.84	0.36	0.90	0.85	0.96	1.30	1.23
Grand Total	21.69	21.95	54.90	53.97	57.88	64.61	69.68

	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Average Cost per Claim Resolved							
Awards/Settlements	37	39	99	104	101	107	90
Legal Fees - SCA	15	13	23	22	24	28	19
Legal Fees - plaintiff	18	13	36	39	37	46	30
Other	3	1	3	3	3	4	2
Grand Total	73	66	161	168	165	185	141

Source: SCA Submission to the Joint Oireachtas Committee on Health and Children – Data correct as of 31/12/2014

Table 8: Clinical Claims received per annum

	2008	2009	2010	2011	2012	2013	2014	Grand Total	% Increase 2008-2014
Clinical Claims	426	400	457	544	772	721	609	3929	
Grand Total	**426**	**400**	**457**	**544**	**772**	**721**	**609**	**3929**	**43%**

Source: SCA Submission to the Joint Oireachtas Committee on Health and Children – Data correct as of 31/12/2014

Table 9: Deficits per selected acute hospitals in April 2015.

Hospital	Actual €000's	Budget €000's	Variance €000's	% Overspend
Coombe Women's and Infants University Hospital	**18,661**	**16,040**	**2,621**	**16%**
Midland Regional Hospital, Mullingar	**22,397**	**19,317**	**3,081**	**16%**
Portiuncula Hospital	**19,882**	**17,300**	**2,582**	**15%**
OLOL, Drogheda	**47,957**	**42,695**	**5,262**	**12%**
St. Luke's Hospital, Kilkenny	**19,585**	**17,808**	**1,777**	**10%**
Connolly Hospital Blanchardstown	**31,431**	**29,132**	**2,299**	**8%**
Kerry General Hospital	**24,353**	**22,761**	**1,593**	**7%**
Our Lady's Hospital, Navan	**14,514**	**13,552**	**962**	**7%**
Letterkenny General Hospital	**37,968**	**35,529**	**2,440**	**7%**
Tallaght Hospital	**56,840**	**53,190**	**3,650**	**7%**
Mater Hospital	**79,213**	**74,309**	**4,814**	**6%**
Midland Regional Hospital Portlaoise	**17,402**	**16,380**	**1,021**	**6%**
Sligo General Hospital	**36,992**	**35,059**	**1,933**	**6%**
Mercy University Hospital, Cork	**22,502**	**21,340**	**1,162**	**5%**
Galway College University Hospital	**93,621**	**87,932**	**5,689**	**6%**
Waterford Regional Hospital	**50,541**	**48,227**	**2,314**	**5%**
Louth County Hospital	**6,693**	**6,423**	**270**	**4%**
Midland Regional Hospital Tullamore	**28,648**	**27,437**	**1,211**	**4%**
Beaumont Hospital	**83,531**	**80,280**	**2,710**	**3%**
Mayo General Hospital	**28,273**	**27,467**	**807**	**3%**
St. Vincent's University Hospital	**71,875**	**69,511**	**2,364**	**3%**
Our Lady's Hospital for Sick Children, Crumlin	**40,372**	**39,259**	**1,113**	**3%**

Source: April 2015 HSE Performance Report