



**Opening Statement to the Oireachtas Committee on the Future of Healthcare,
Simon Nugent, CEO, PHA**

Wednesday 18 January 2017

Thank you Chairperson

I am the Chief Executive of the Private Hospitals Association which represents 19 private Hospitals located in 10 counties across Ireland.

I'm joined today by my colleague, Brian Fitzgerald. Deputy Chief Executive of one of our members - the Beacon Hospital. Brian has extensive experience in hospital management in both public and private sectors and who will offer his own insight into the potential for the future of healthcare.

Members will have received the Association's submission of last August which sets out the extent of acute medical and mental health care provided in private hospitals in Ireland. We employ over 8,000 staff and provide 2,500 beds for patients on an ongoing basis. This enables us to provide 250,000 in-patient procedures, 3 million diagnostic tests, over one million bed nights to patients, and 10% of Ireland's inpatient mental health care annually.

We estimate that 50% of all elective procedures in Ireland last year were performed in our members' hospitals.

In addition, half of our hospitals operate either Emergency Departments or Medical Assessment Units which in total see more than one thousand patients each week, admitting at least 250 of these patients, thus providing an estimated 100,000 bed nights of medical care to patients admitted on an emergency basis each year.

I highlight these numbers because they illustrate the scale of care provided by private hospitals which, in our absence, would fall upon the state and the public system as an additional burden.

Earlier in 2016 the Association made proposals to the Department of Health aimed at fostering closer partnership between the public and private systems in the coming years. We believe there is scope for closer collaboration on several fronts – reducing waiting lists, tackling emergency department overcrowding, recruiting health care professionals and a

strategic approach to capital planning. We are working through several of these ideas at present with the Department of Health.

One welcome innovation has been the reintroduction of the National Treatment Purchase Fund and, while the resources available to be spent in 2017 are modest, PHA members will be able to respond and provide treatment to some of the longest waiting patients on public lists over the coming months. Earlier treatment of those on waiting lists is obviously important for patients but also brings significant savings to the exchequer as increasing complexity of conditions is avoided.

Looking forward, the PHA would encourage the Committee to take a “whole of system” approach to planning the future of healthcare, acknowledging the scope for partnership in delivery between public and private systems taking into account the contribution that private hospitals already make, the modern infrastructure in which we have invested and continue to invest, the highly skilled personnel working in our hospitals and the capacity we have to work with the public system - hospital groups, CHOs etc.

In conclusion, as set out in more detail in our submission, the Association recommends that the Committee:

- Acknowledges the mixed nature of health care provision in Ireland and the significant proportion of care delivered by private hospitals;
- Offers a strategic vision of healthcare in Ireland in 10 years’ time that recognises the benefits of this mixed delivery system and provides a stable environment for investment in the sector;
- Focuses on how, as primary care services develop, they can integrate successfully with all providers of hospital care;
- Places due emphasis on the issues of health sector recruitment and the need for sustained focus on attracting nurses, doctors and other clinical specialists to work in Ireland by establishing an *Expert Skills Group on the Medical Professions*;
- Supports the importance of investment in eHealth initiatives as an important enabler of truly joined up healthcare;
- Supports closer cooperation on patient care between public and private systems during the transition period between now and 2026.

I’d now like to hand over to Brian.

Statement of Brian Fitzgerald, Deputy CEO, Beacon Hospital.

Thank you to the Committee and Chairperson for the invitation.

I have worked for over 25 years in management in the Irish healthcare system both in the public and private settings. At the outset and to echo the comments of my colleague, the committee should give serious consideration to planning a healthcare system based on all capacity available both public and private.

In saying this, I am not only referring to private hospitals but to all infrastructure. For example, if you walk down any main street in the country you will find private sector operators such as GP's, pharmacists, dentists, ophthalmologists, wellness providers and many other healthcare businesses. Too often there is an ideological debate regarding the existence of private healthcare which is narrowly focused on private hospitals. In summary, Healthcare in Ireland is an ecosystem of many intertwined operators.

I would like to advise the committee that my organisation, Beacon Hospital employees just under 1,000 staff and significantly contributes to economy of the country e.g. we pay over €25m per annum in income tax to the exchequer. The committee may be interested to know that over 90% of the staff working in private hospitals were trained in the public system and a fair proportion currently work across both systems. Front line staff should be commended for their work in both systems and many choose a career of diversity. In fact, staff are agnostic as to whether they work in the public or private sector, because their main work ethic is focused on providing safe effective care to their patients in contemporary facilities. Without the option of working in the private system, I suspect many front line staff would leave for new shores.

I am satisfied that the medical care provided to patients in the private system is of equal clinical efficacy to that in the public system. The committee may already know that private hospitals are subject to external accreditation. Private hospitals must hold a valid accreditation certificate to receive funding from health insurers this is not the case for public hospitals. For example, recently Beacon Hospital successfully completed its fourth triannual cycle of external accreditation audit and was awarded a performance score of 99.4% across 1,200 measurable elements, which I understand is one of the highest scores ever.

In recent weeks we have already read and are acutely aware of the capacity challenges being faced on a daily basis in the public healthcare sector. The private system has capacity and is part of the solution to these constraints. Again, in my previous role, I frequently availed of the services provided by the private system to solve capacity constraints. In future there is ample opportunity for the public & private systems to collaborate and provide innovative, cost effective solutions to the provision of healthcare for all citizens.

In conclusion, I recommend that the Committee consider:

- Establishing a task force to explore innovative, cost effective private sector capacity utilisation

- Absorb the fact that healthcare in Ireland is an ecosystem of public and private providers
- The private healthcare system is a significant contributor to the economy
- Front staff who are trained in the public system seek diversity of employment. As such, the private system provides a solution to staff retention
- The private hospital system is required to meet strict accreditation standards.