Meeting of the Joint Oireachtas Committee on Health

Wednesday 18th April 2018

Opening Statement by PA Consulting Group

"Health Service Capacity Review 2018"

Systematic analysis of capacity requirements should be a normal component of any healthcare system's planning cycle. The last review for Ireland was undertaken in 2007 and focused only on hospital bed capacity.

This review was asked to provide a more wide ranging assessment to include the capacity needs in both primary care and social care services for older people as well as in acute hospitals. The review quantifies the demand and future capacity implications across these domains, which are those most affected by an ageing population and rising prevalence of long term conditions. This also aligns with the Sláintecare report finding that the best health outcomes and value for money can be achieved by re-orientating the model of care towards primary and community care.

The report sets out our assessment of current capacity, future demand and the impact of future reforms to provide two ends of a spectrum of potential future capacity needs. We will say a bit more on each of these:

- We have established an agreed view of the current capacity across the public and private sectors. This was determined using two methods, firstly by looking at available resource data from 2016 and secondly by cross-checking with available activity data for 2016, this gave an added level of confidence in the baseline position for 2016. In addition we looked at the most recently available international benchmarking from the OECD (2015 and 2017) and Eurostat to compare capacity in Ireland to 6 countries, Australia, New Zealand, Denmark, Norway, Sweden and Finland.

- The drivers of future demand have been estimated to produce our view of the impact on future capacity requirements to 2031, creating the baseline for the assessment. The drivers have been categorised in three ways:
  - Firstly Demographic, relating to the growth and changing age structure of the population, notably the rise in the older population being particularly dramatic in Ireland. This aligns with what you have already heard from ESRI.
  - Secondly, Non-demographic, relating to other influences such as changes in medical practice, for instance the trends towards minimally invasive and day case surgery, as well as the increased prevalence of chronic disease.
  - Thirdly addressing unmet demand – waiting lists have been used to estimate unmet demand and the report incorporates the additional capacity needed to reduce waiting lists to an acceptable norm over a 4 year period.

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- We then set out an analysis of how key changes to the model of care could impact on future demand and capacity across the system. The review developed three main reform scenarios drawing on a review of current policies, published evidence and international comparators. These were tested through engagement with a wide range of stakeholders including the Department's International Peer Review Group. The reform scenarios align with current national policies and the recommendations the Sláintecare Report. In particular, they are based around the need to shift care away from an acute-led model, and they assume more integrated care, particularly for management of chronic conditions and care of older people. They have been defined and modelled in a way that enables us to add them together to come up with an overall assessment of the capacity implications. The three reform scenarios cover:
    - Firstly - the impact of the Healthy Ireland strategy on demand that would be attributable to a broad range of initiatives including actions on tobacco, alcohol and obesity.
    - Secondly – an Improved model of care centred around comprehensive community-based services.
    - Thirdly Hospital productivity improvements. We have taken account of how care needs to be delivered as locally as is clinically appropriate and only centralised where necessary. Productivity improvements come through improved patient flows through hospitals as well as improvements associated with elective-only sites. We also noted that much of the evidence for centralising more specialised services relates to improved clinical outcomes more than reduced bed demand.
    - In addition, the report also sets out the capacity implications of reducing the average bed occupancy from the current high levels.

Our headline findings are that the baseline scenario would require significant increases in capacity across all aspects of the health service up to 2031, including:

- An increase of 7,150 on top of the current 13,310 hospital beds. This factors in the improved occupancy levels and is more than a 50% increase. It equates to opening a new 550 bed hospital like Tallaght every year from 2018 onwards.

- This is still accompanied by significant increase elsewhere across the system
    - 37% increase in primary care workforce (including GPs),
    - 40% increase in residential care beds and,
    - 70% increase in homecare over the period to 2031.

Full implementation of all three reforms would alter the capacity needed across all sectors by 2031 to:

- 2,590 extra hospital beds including around 2,100 inpatient, 300 day case, and 190 adult critical care beds. This a reduction of 4,560 on the baseline scenario and brings the new capacity down to opening a new 550 bed hospital every third year.

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- To achieve this there is an even larger increase in capacity needed elsewhere in the system, including
    - A further 11.5 percentage points increase in the primary care workforce, making the total increase 48%.
    - An additional 1100 residential care beds, bringing the total extra needed to 13,000.
    - A further 50% increase in homecare (home help hours and homecare packages), making the total increase 120%.

In undertaking the review, we have drawn on a wide range of sources, and have also encountered the well-documented limitations of the data available within the system. In this respect, the analysis of hospital bed capacity is considered robust and provides a sound basis for planning. There was insufficient data available within the timescales of the review to forecast beyond beds to include specific hospital facilities such as operating theatres and CT scanners. These would need to be picked up at the next stage as more detailed planning and designs for new facilities are developed.

Our analysis has been sensitive to the specific context in Ireland - for instance in respect of the mix of public and private healthcare, the role of GPs and the nature of the social care services available. The core of the analysis draws on activity trends as seen in HIPE and other data sources. In developing the reform scenarios, we have not just used international comparators, we have drawn on a range of other sources including peer-reviewed studies, comparisons of performance across different parts of the system in Ireland, the views of the many stakeholders engaged through workshops and consultation, and the advice from the International Peer Review Group.

The review was also asked to inform the development of a National Development Plan for the next decade and in particular on the scale of the capital infrastructure that will be needed. Our findings have been accepted by Government and provision for them included in the recently published National Development Plan. The Department of Health also have our model and are using it to do more evidence-based planning.

In conclusion, the analysis has established two extremes that define the order of magnitude and range of potential capacity needs and associated the level of changes to the model of care. The scope of the review did not extend to a comprehensive workforce capacity assessment and one will be needed to assess the rate at which capacity in various parts of the system could be brought into service.

The report sets out the landscape. Continuing with the current model of care, which is the baseline scenario, will see demand exceed capacity by over 7,000 hospital beds by 2031. The combined reform scenarios are ambitious. Noting the complexity involved in bringing a new hospital into service, we believe the combined reform scenarios are likely to be the more feasible option and this is the right basis to move planning to the next level of detail as set out in our recommendations for the next steps.

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Lastly, may we please place on record our sincere thanks for the significant contributions made by the many people and organisations who were engaged in the review process through meetings, workshops and in contributing to the Department's consultation.

The full report has been circulated to the committee and is publically available on the Department of Health's website.