



An Roinn Sláinte

DEPARTMENT OF HEALTH

White Paper on Universal Health Insurance

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Tús Áite do
Shábháilteacht 1 Othar
Patient Safety 1 First

Starting point: Programme for Government commitment

To develop an efficient and effective single-tier health service which promotes equitable access to high quality care on the basis of need.

1. Overview of Universal Health Insurance (UHI)

The delivery of a single-tier health system, supported by UHI is a central pillar of the Government's health reform programme.

Proposed model of UHI will ensure that:

- ✓ Access to services is based on need, not ability to pay
- ✓ Everyone is covered for a standard package of health services
- ✓ Everyone will have a choice of insurer, in a competing multi-payer system
- ✓ Emphasis on quality and value



Key Building Blocks for UHI

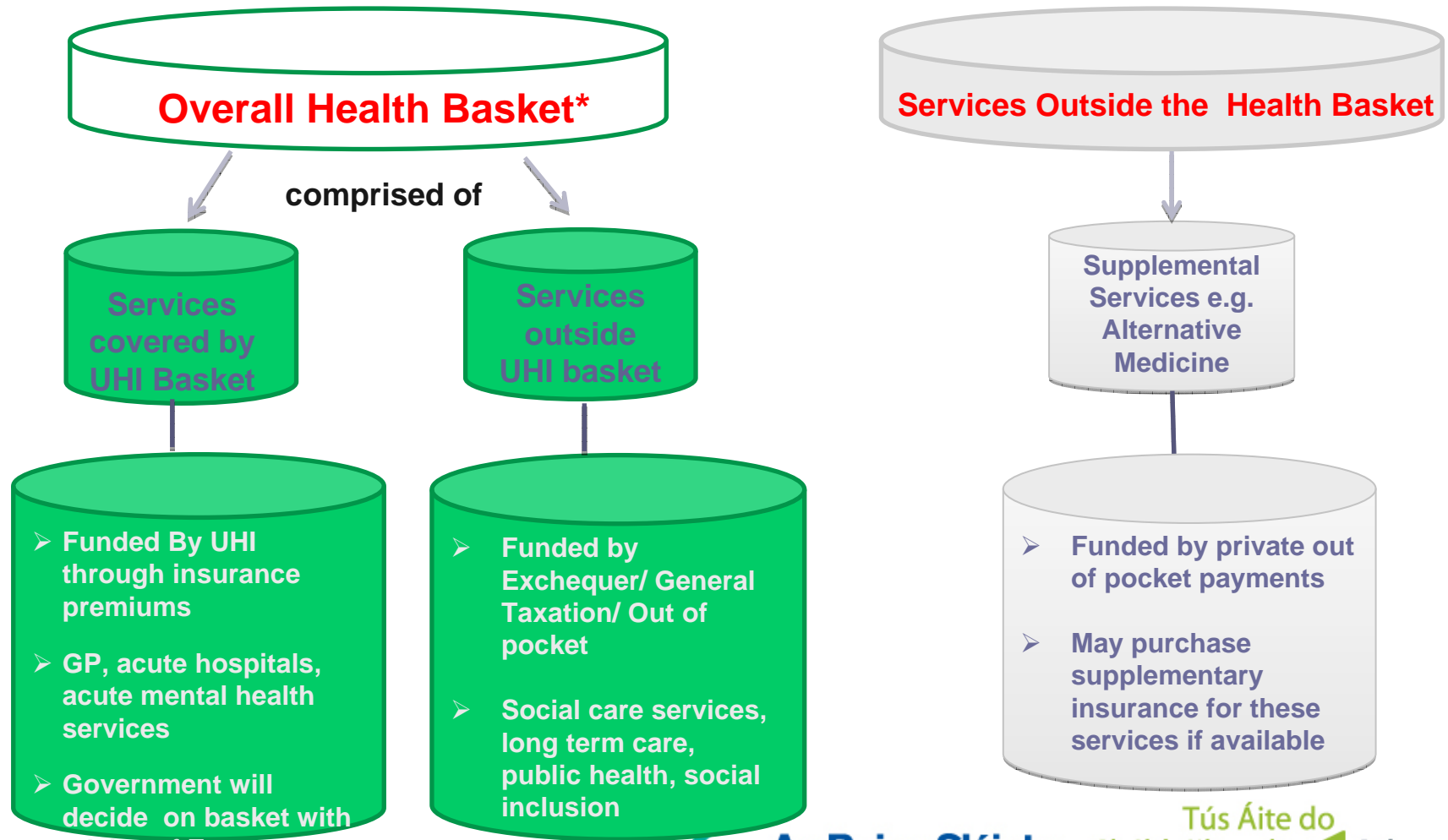
- Structural change
 - Major legislation in preparation
 - Healthcare Commissioning Agency
 - Hospital Groups, later Trusts
 - Primary and Social Care structures
- Regulatory change
 - Licensing
 - Increased role for HIA
 - Risk Equalisation



Key Building Blocks for UHI (cont)

- Financial
 - MFTP
 - Shadow budgeting in selected hospitals, 2013
 - Roll-out of full system from 2014
 - Information
 - New information systems
 - Unique identifier legislation
 - Health Information Bill
 - eHealth Strategy

Health Service Provision



* Provided by Public & Private Providers

advice of Expert
Commission

How Will the UHI Model Operate?

Consumers

- Pay Premiums to Insurers to finance the delivery of health services in UHI basket

Government

- Pay Subsidies to Insurers for those who qualify
- Centrally fund some services, e.g. ED

Insurers

- Commission health services from public and private providers

2. What Will All This Mean For...?

- Consumers
- Insurers
- Public Providers
- Private Providers
- Regulatory Bodies

Consumers

- Will have a clear entitlement to a defined range of services under UHI
- Will pay for these services via their health insurance
- Will receive financial support – full subsidy for those on low incomes, partial subsidy for some on higher incomes
- Can buy supplementary insurance for services not in UHI basket
- Will continue to benefit from services funded by Exchequer outside of UHI

Insurers

- Will be responsible for commissioning health services in UHI basket for the whole population
- Enter into a contracting process with public and private providers
- Will offer a standard package of UHI services to all consumers, governed by the principles of *lifetime cover, community rating* and *open enrolment*
- May offer supplementary insurance for services outside of the UHI basket

Insurers

- Will not be allowed to sell faster access to services covered by UHI
- Will be obliged to adhere to geographic and coverage rules in the contracting process
- Will need to have a continued focus on cost control measures in the market
- Participate in DRG/Classification systems and claims management as MFTP is rolled out across the public and private system

Public Providers

Structural reform is key to UHI. Key elements, post HSE, include:

- ***Healthcare Commissioning Agency, to purchase services outside the UHI basket***

- ***National Insurance Fund situated within the HCA, will***

- pay full/partial premium support for those who qualify
- have a role in purchasing insurance cover of last resort
- manage compensation fund for specific costs (e.g. uninsured)

Public Providers

■ *Healthcare Pricing Office will*

- Recommend maximum national prices for services in UHI basket
- Roll out Money Follows the Patient, to public hospitals, private hospitals and primary care sector

■ *Hospital Trusts*

- A key element of the purchaser/provider split
- Will be established on a statutory basis as independent bodies to provide services commissioned from insurers
- Compete for business with each other and with private providers

Private Providers

- Able to contract with insurers for all services under UHI
- Will have a major role in offering choice of delivery
- Promoting value for money
- Will not be able to sell faster access to services provided under UHI, if they opt in to the system

Regulatory Bodies

Health Insurance Authority

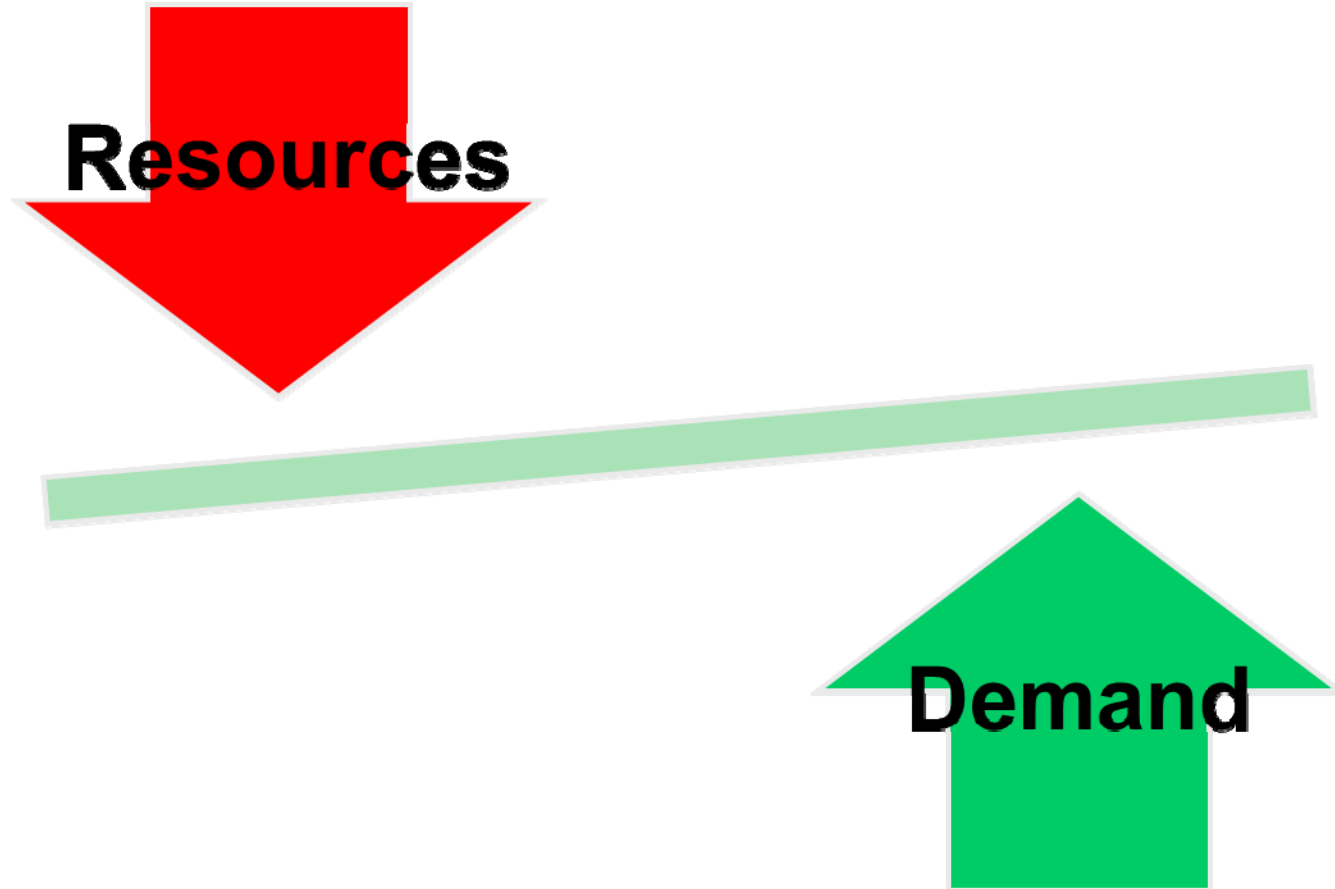
- Will recommend the 'efficient market rate' – maximum amount to be paid by State for UHI premium
- General regulation of insurance market, including monitoring of compliance with UHI standard plan
- Regulatory cost controls of insurance market
- Managing Insurer Insolvency Fund
- Managing public complaints process in relation to the market
 - This is in addition to HIA's current functions e.g. monitoring behaviour of insurers, analysis of market trends, Risk Equalisation Scheme, consumer advice

Regulatory Bodies

Health Information and Quality Authority

- Setting Healthcare standards
- Licensing of Healthcare providers
- Responsible for reviewing and updating the overall health basket and services under UHI. Final decision by Government
- Adjudicate on disputes regarding interpretation of the basket of services between healthcare providers and healthcare purchasers

3. Cost Control Under UHI



Cost Control

Government is determined that spending by State on healthcare under UHI will not exceed its total spending under the two-tier system it is replacing

Cost control is vital to ensure that we are consistent with our Constitutional and legal EU obligations

Cost Control

In advance of UHI a number of cost control measures will be advanced:

- Initiatives to improve population health
- Effective community based models of care
- An efficient MFTP model
- Standardised, value for money contracting arrangements with healthcare providers, with quality requirements central to all purchasing

Cost Control

Cost control measures are central to introduction of UHI.

- Insurer contracts to be value-based and volume-limited
- Healthcare Pricing Office will use detailed cost data to promote transparency. Will recommend prices based on based on best practice and lowest level of complexity of treatment location
- Specific measures include
 - Price monitoring of insurers
 - Capping of financial subsidies on UHI
 - Setting maximum prices for specific services

Cost Control

Other measures may include, as necessary:

- **Capping of Insurer overheads and profit margins**
- **Capping of Insurer claims expenditure**
- **Setting a global budget cap for each insurer**

4. Next Steps

Consultation and Communication

- Call for Submissions –your views invited
- See www.health.gov.ie which also has technical supporting papers
- Joint Oireachtas Committee on Health and Children invited to consider the Values Framework
- Expert Commission will be established to develop costed options on the Basket of Services to be provided under UHI
- Other communications processes will also be used

Next Steps

Department of Health Costing Exercise

▪ Department will undertake a major costing exercise to be completed by January 2015 that will examine issues such as:

- Impact of UHI on different households/individuals
- Forecasting of costs of different utilisation /demand scenarios
- Model financial and coverage implications of the subsidy system
- Work with HIA in determining the 'efficient market rate'
- Estimate the administrative and regulatory costs of UHI

Next Steps

- Consultation process
- Further development and refinement of proposals as we prepare for implementation
- Implementation Team to drive progress
- Legislation
 - Eligibility
 - Insurance market
 - Rules of system
- Building blocks for UHI in place by early 2016
- Implement by 2019