Ospidéal Cluain Tarbh
Ascaill an Chaisleáin
Cluain Tarbh, Baile Átha Cliath
D03 AY95

Clontarf Hospital
Castle Avenue
Clontarf, Dublin
D03 AY95

Tel +353 1 8332521
Fax + 353 1 8333181
Web: www.ioh.ie

FOR THE ATTENTION OF

INDEPENDENT REVIEW GROUP

CONSULTATION ON PRIVATE PRACTICE IN PUBLIC HOSPITALS

SECRETARY TO THE EXPERT GROUP EXAMINING PRIVATE PRACTIC IN PUBLIC HOSPITALS

C/O ROOM 42, DEPARTMENT OF HEALTH, HAWKINS HOUSE,

HAWKINS STREET,

DUBLIN 2

FROM

MICHELLE FANNING, CHIEF EXECUTIVE OFFICER, CLONTARF HOSPITAL

BY EMAIL 8 FEBRUARY 2018

Board of Directors: President: Thomas C. Smyth, Chairperson: Marcella Higgins, Deputy Chairperson: Catherine Mac Daid, Denise Brett, John Cantwell, Regina Connolly, Frank Davis, Estelle Feldman, Terence Horgan, Daragh Kavanagh, Ciara McCabe, James Mahon, Gerard O'Connor, Charles Scott, Leslie Sibbald.
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Castle Avenue, Clontarf, Dublin 3

INCORPORATE ORTHOPAEDIC HOSPITAL OF IRELAND

SUBMISSION TO INDEPENDENT REVIEW GROUP

PRIVATE PRACTICE FROM PUBLIC ACUTE HOSPITAL SYSTEM

Introduction

The Incorporated Orthopaedic Hospital of Ireland is a Section 38 healthcare agency under the Health Care Act 2004. The hospital has been in existence since 1899.

The hospital provides 160 rehabilitation beds for orthopaedic patients and older people transferred from the acute hospital system in the Greater Dublin Area. The hospital also provides a general non-urgent inpatient and outpatient x ray service.

Current and Future Funding Arrangements

The hospital is primarily funded by an annual allocation from the Health Service Executive (HSE). This funding is augmented by income received from 12 ministerial designated private rooms. The revenue generated by the private rooms goes entirely into the hospital's annual operational costs. The hospital would be unable to fund the full operational costs of the 160 bed complement without this additional funding stream.

The hospital's annual HSE allocation does not meet the total annual operational costs of the 160 bed hospital. The shortfall is provided by the income received from the private rooms. Each private room currently provides an income of €800/night and is a vital funding component to keeping beds open, providing a quality safe service and breaking even at year end.

The hospital operates on a small budget, The total annual income from the private room accommodation is approximately €3,154,500 per annum. That is 800 x 12 x 365 = 3,504,000 @90% Occupancy = €3,154, 5000. If the rooms were to be brought into the hospital's public stream then the hospital would require the €3,154, 5000 from the HSE to maintain the 160 beds in operation.

Legislative and Legal Issues

History has proven that hospital's outside of the acute hospital system are not included in changes made to the private/public practice policy/legislation despite these policies having a

large and direct impact on hospitals such as ourselves. One recent example was the Health (Amendment) Act, 2013 implemented from 1 January 2014 which provided for the introduction of charges for all private in-patients, including those accommodated in public beds. The new charges saw a drop from €813/night/room to €800/night/room. This saw an immediate significant decrease in the hospital's revenue. This was exacerbated by a cut in our HSE funding allocation as the policy had assumed that we would gain from the charges. The reality, as a non-acute hospital, was that we were not provided for under the Act. This did not stop our funding allocation from being cut as well as incurring a significant decrease in our private funding stream.

When the Independent Review Group is considering this important matter it should not only include acute hospitals but also the effects/impact on hospitals in the non-acute and specialists categories.

Eligibility, Access and Equity

The availability of the 12 private rooms has no impact on the access of public patients to our rehabilitation services. There is seldom a waiting list and public patients take priority as does medical and care needs over private room occupancy. The secondary impact of the hospital's services is to reduce the demands on our acute hospital system by facilitating transfers from our acute hospitals, keeping patients at home longer and preventing early admission to long term nursing home beds.

Practical Approaches to Removing Private Practice

1. Immediate replacement of the funding deficit to hospitals when the private room accommodation ceases to exit and the subsequent increase in cost to the HSE to continue the same level of service.

2. Consider the effects on hospitals that lie outside the acute hospital system.

3. Consider the legal implications for all hospitals, acute, non-acute, specialists etc.

4. Effects on consultants taking up positions in public hospitals.

5. Changes should be implemented on a phased basis over several years. This will reduce the impact on the HSE annual budget and allow hospitals such as the Incorporated Orthopaedic Hospital of Ireland maintain our important services.

In Conclusion

Many thanks for the opportunity to submit the hospitals opinion on this matter. If you have any further queries please do not hesitate to contact me at the above address.