

## Volume 11, Issue 4 / 2009 - Weathering the Recession

### Irish Healthcare and the Recession

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Ireland has been commonly regarded as one of the countries hardest hit by the recession. Is the situation really as bleak as everyone is making out? (E)Hospital spoke to someone from the Irish healthcare workforce who preferred to remain anonymous in order to give as frank an account as possible- surely this is an indication of testing times for Irish healthcare... On asking just how bleak the situation in Ireland really is the response was straight to the point: "Serious. Things are very serious." This we already guessed, but how did things get so bad and what is the general reaction to the recession? This article is a summary of our conversation describing the situation in Ireland and contains some very interesting insights.

#### Watching the Pennies

Financially there have been considerable cuts this year in Ireland; organisations are working off smaller budget allocations and some are carrying deficits from 2008 which makes a difficult situation even harder. Most people have been cutting back personally, watching their pennies and the hospital sector is no different. In the corridors members of staff are asking why the heating is on when it is hot enough already? Why aren't we recycling more? Could we refurbish rather than replace? Indeed, spontaneous suggestions like this from staff are becoming commonplace in Irish healthcare.

Every single process and product is being scrutinised. The HSE (National Health Service) have put their foot down and declared there will be no increases in costs from external contractors. This equates to all service providers- consumable providers, equipment providers etc, which must, in turn, be challenging for their businesses. At a minimum, zero cost increase has been achieved and in many cases a reduction has also occurred. Every single interaction around cost is a negotiation.

In many ways this situation can be regarded as positive: Negotiation has a much more predominant role than before and moreover everyone in the hospital knows that there is no "hidden pot of money". Previously, in the Irish healthcare system if you overspent you could count on getting a bailout at the end of the year. This safety net has gone and not only does management in the hospital and community sectors recognise this, but every single clinician knows it, and this is a major change. They know there is no extra money, no financial controller giving handouts.

Conversations with clinicians are different, while they may still fight to get their request on top of the pile there is a newfound understanding that if they get something, someone else gets less. Stringency in the way business is done in the healthcare sector has become very important and everyone is contributing. This can be seen at every level- for example a frontline member of nursing staff may remark that there is a lot of wastage associated with a certain product and suggest a better and more cost-effective alternative.

#### Organisations Walking on Tightropes

The outlook for next year is unknown. This year has been very difficult but it is very clear that things will become even more challenging. The challenge is getting the balance of providing both a safe service and a comprehensive range of services. The real challenge is how to maintain quality and safety with less money; decisions must be made on which services stay and which should go. We cannot keep spreading and thereby dropping the standards.

Savings have been made this year across the health sector but more savings will have to be found. However, all the "low-lying fruit" has pretty much gone. To see just how drastic the required cost saving measures will be we must wait for the announcement of the budget in December. Double digit reductions are anticipated.

#### Government Response: Moratorium on Recruitment

A moratorium on recruitment has been put in place by the government not just in the healthcare sector but on the entire public sector. Only a few professions such as medical consultants, physiotherapists, psychologists, occupational therapists and paramedics are exempt from this. The moratorium means that the authority to recruit for posts and to extend temporary contracts has been rescinded from the health service. Moreover, this authority now lies not with the Minister for Health but the Minister for Finance.

With a health workforce of over 109,000 employees there will be changes, retirements, resignations, maternity leave all of which need replacement. With such a centralised control, the moratorium makes it incredibly difficult to manage the risks facing the delivery of a safe service. Health is a people delivered service, without the people, there are service implications.

Another challenge facing the healthcare service is the HSE's plan to drop the number of administrative staff by 3%. This is sending out the perception that administrative staff are dispensable which is wholly untrue they are part and parcel of the service provided. Jobs coming under the title of administrative staff include medical secretaries, reception staff, those dealing with medical records, HR, finance and those who provide support to clinical staff to release them from administrative duties. This seems to be moving backwards from the considerable amount of work that was done to provide extra support for clinicians during the "Celtic Tiger" period of prosperity.

### Possible Solutions: IT and Care in the Community

In light of budget and staff cuts, leveraging IT could be a successful way of releasing staff through the roll out of programmes such as voice recognition technologies, PACs etc. But new investments like this must be approved by the department of finance. Successful IT implementation has the potential to reduce staff numbers whilst still continuing to ensure quality and safety of care.

It is here we hit a bump in the road: Ireland has a very poor IT infrastructure, a base of good systems is lacking and electronic patient records are not available yet. IT systems are also expensive meaning during the financial crisis the chances of investment in them, excepting a couple of national programmes like PACs, are slim. In this way it is a chicken and egg situation: To reduce the requirement for some staff, we need the IT but the chances are that IT will not be funded.

There is still a very strong drive to move care from the hospital setting into the community, however the primary care team development is still in its early stages – Significant investment in people and buildings is still required. Again the question is whether this can be delivered in such difficult financial circumstances meaning hospitals are as yet unable to release their responsibilities.

The Irish situation is truly that of the chicken and the egg. On a positive note everyone is looking at systems, becoming much more businesslike and coming up with innovative solutions. Developing the frameworks for those things is one thing, but having the funding to address the implementation is going to be a bigger challenge.

### On a Personal Level

People are worried, health is, and always has been a huge issue for the public. Access to services is of particular importance as once admitted into the hospital, most patients are satisfied with their experience. In particular A&E waiting times are a cause for concern.

As in other sectors, staff are very appreciative of a permanent, pensionable position. Although you may hear people talking about how their workloads have "gone mad" this is often followed by "at least I have a job". There are an awful lot of spouses, family members who have lost their jobs creating personal pressures on individuals. Many members of staff have personal circumstances that are getting very tight.

Healthcare staff also faced a pension levy (this applies to all public servants) equating to a cut of 6-8 percent in personal income. Individuals are financially struggling at the end of each month. Between the pension levy and the 2% income levy on the entire population, most health workers are facing at least a 10 percent cut. It is likely that further focus on non core pay earnings (eg., on call, out of hours) will occur. This has begun with the scrutiny of on call earnings of non-consultant hospital doctors (NCHDs).

### Conclusion: All Doom and Gloom?

The pressure and uncertainty caused by the recession can be seen on both an organisational and personal level; it is affecting everything and everyone. This interview demonstrates the severity of the situation and indicates that there may still be worse to come. But not all of the comments have been negative; lessons have been learned that will be useful in years to come. The transition to a more businesslike mentality of analysing systems and negotiating and listening to and taking on board the suggestions from every level of staff will set the Irish healthcare system in good stead for the future. Other European countries can certainly learn from the Irish experience.

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