An Update on the Economics of Dementia Care in Ireland

Abstract:

Dementia - An Economic Priority

Dementia is a major health issue and a global condition. Increasing prevalence, costs and burden of disease produce significant pressures on economic and social systems in many countries. Globally, the costs of dementia are estimated to amount to more than 1% of global gross domestic product (GDP) [1]. At an individual level, the economic burden of dementia ranks higher than stroke, heart disease and cancer combined, however resources allocated to dementia care currently fall below 1% of total health care spending for all conditions [2]. Concurrently, the World Health Organisation observes a growing gap between budget allocation and the associated burden of mental health disorders, particularly in higher income countries [3].

In 2011, there is an estimated 47,893 people in Ireland living with dementia [4]. Currently, Ireland has a relatively young population but is predicted to have the largest growth in the elderly population of all European countries in the coming decades [5]. In real terms, the size of the elderly population is projected to increase threefold, with the largest increase occurring in the oldest old (i.e. those over 85) resulting in a significant increase in the prevalence of dementia for those aged between 60 and 80. During the era of the Celtic tiger, health expenditure grew substantially from 6.1% of GDP in 1999 to 8.7% in 2008 [6]. When comparing across countries in the OECD, we find that this increase has brought Ireland up to the average GDP devoted to health. These figures would further suggest that Ireland's financial input into the health care system is equal to the United Kingdom (8.7%) and marginally higher that Australia (8.6%) and Norway (8.5%).

This raises the question, how efficient is the Irish health system at producing dementia care compared to countries with a similar level of financial input? Answering this involves measuring the level of service output which, given the multiple agents and settings of dementia care, such a measure is not readily distinguishable. In an international comparison, Knapp et al used the levels of long-term care as a consistent international indicator of dementia output and results suggested that Ireland has approximately half the OECD average services available for dementia patients. Specifically comparing to the UK, Australia and Norway (where we have seen the level of health expenditure is comparable), Ireland's service output for dementia may be three to four times lower.

If Ireland has the same level of input as these other countries, why is the level of service output so much lower? One separating difference is the observed commitment in these countries to plan and implement appropriate services for the elderly. In these other countries, all have recently implemented a national dementia strategy. Ironically Ireland had been the front-runner in providing a blueprint strategy for dementia back in 1999; Action Plan for Dementia [7].

Moving Dementia Forward

The Action Plan for Dementia provided a detailed plan requiring an additional investment of £45 million over three years. The government at the time agreed to implement this plan over a seven year period under Quality and Fairness - A Health System for You. Despite this national agreement, to date dementia-specific policy remains to be implemented [8] and legislative changes to ensure the rights of the elderly to community care are still required. April 2010, a ministerial announcement declared a commitment to a national dementia strategy for Ireland. This represented a major step forward for those who were lobbying for appropriate dementia care. However, the issue remains one of policy implementation and not one of agreements. Reviewing dementia strategies implemented in Australia, UK and Norway, we now present three critical factors required to move the dementia strategy forward in Ireland.

Firstly, a financial guarantee must be provided by the government [9], [10] to adjusting previously valuations for dementia providing resource requirements would suggest that £45million will be required to align with government Fair Care reform and, in-line with Ireland's economic downturn, should also demonstrate improvements in cost-effectiveness. As Fair Care aims to bring mental health coverage to mental health and ensure the patient, part of the required investment may be best distributed through vouchers scheme [11]. Voucher have been proposed as a viable method for ensuring universal coverage and may be particularly useful for allocating community support components of care [12]. These living with dementia would benefit from safeguarded access and increased choice. The market dynamic created would stimulate quality through increased supply-side competition. As a resource allocation system, vouchers would have the added benefit of allowing fund-holders to monitor the outputs of their financial investments.

Secondly, strategic objectives need to be Specific, Measure, Attainable, Relevant and Time-framed (SMART) to ensure implementation is explicitly agreed and the process is transparent. The Action Plan for Dementia made 33 clear recommendations which should be translated into such SMART objectives. Incorporating a further economic framework could make the objectives SMARTER by Evaluated and Re-evaluated objectives [13]. SMARTER objectives would measure the efficiency of implementation by associating changes in health-related quality of life to components, thereby creating a feedback mechanism to periodically adjust the strategy. The final element, and potentially the most critical that a clear governance structure needs to form an integral part of a dementia strategy. The Australian dementia strategy provides a useful example on how such a governance structure [15] this shows the need to detailed lines of accountability and providing a framework to monitor national and regional deployment. In summary, Ireland currently has a substantial under provision of services for dementia; a national strategy can address this but international experience shows us the need for thorough planning, smart financing and clear governance.

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References


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