



THE HEALTH SERVICE REFORM PROGRAMME

June 2003



A MESSAGE FROM THE MINISTER

What we want from our health system is very clear – the best possible standard of care available to all. This takes a combination of resources, planning and reform. Over recent years, funding for the health system has been significantly increased – to a stage where more people are receiving care and support services than ever before.

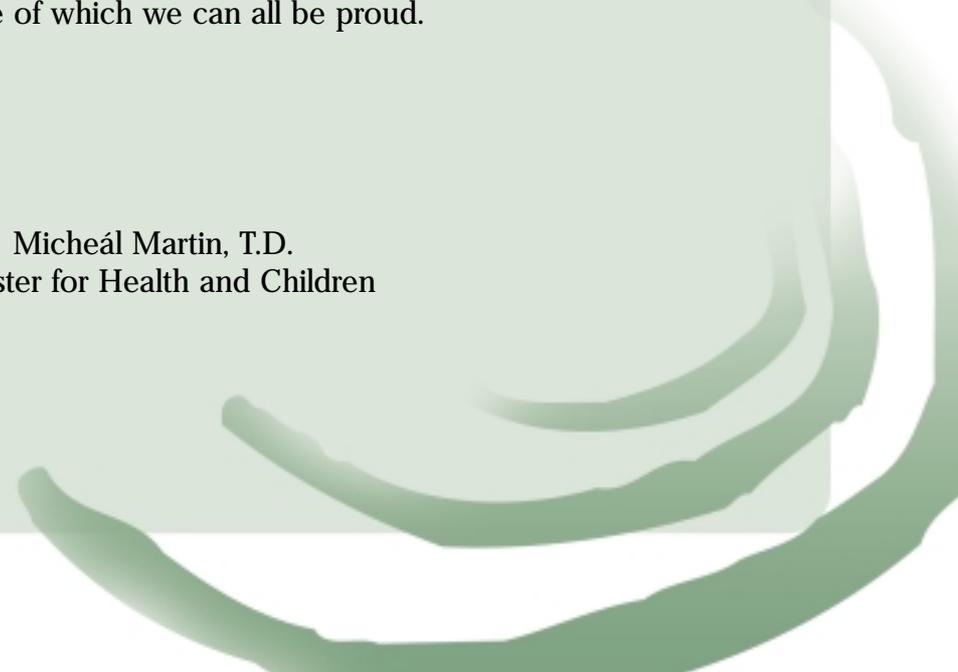
The National Health Strategy *Quality and Fairness: A Health System for You* has also been published – the most comprehensive and ambitious such Strategy ever produced in this country. In the Strategy, we have set out detailed objectives in every area of the system.

The next stage is to make sure that we have the right organisational structures and management practices in place so that we can actually achieve the objectives set out in the Strategy – this is what *The Health Service Reform Programme* is all about.

A lot has been achieved with current structures – and no one can doubt the level of commitment which has been shown by people throughout the system – but the fact is that the structures we have today were designed over 30 years ago when the scale of activity and the number of services being provided were dramatically smaller.

Drawing on international best-practice and a series of detailed reports, the Government has decided to implement a major reorganisation in the way in which the Irish health system is structured and managed. At all times the sole objective is to ensure that we maximise the level and quality of our services. The programme represents a major challenge for all of us within the system and I look forward to working towards delivering a service of which we can all be proud.

Micheál Martin, T.D.
Minister for Health and Children



The Health Service Reform Programme

Summary

The existing health service structures have been in place for more than 30 years. In that time, major improvements in services have been implemented. As we move forward in trying to further build the system, we must make sure that structures are able to deal with the challenges of the 21st century.

The core theme of the Health Service Reform Programme is the need to modernise health structures so that they can deal with the demands placed on the system now and over the coming decades. Central to this is the ability to deliver a high quality of service for people on a consistent national basis.

The main elements of the reform programme are:

- Major rationalisation of existing health service agencies to reduce fragmentation. This includes the abolition of the existing health board/authority structures.
- Reorganisation of the Department of Health and Children, to ensure improved policy development and oversight.
- Establishment of a Health Services Executive which will be the first ever body charged with managing the health service as a single national entity.
- Establishment of three core areas within the Health Service Executive– a National Hospitals Office, a Primary, Community and Continuing Care Directorate and a National Shared Services Centre.
- Establishment of four Regional Health Offices within the Health Service Executive to deliver regional and local services.
- Immediate establishment of an interim National Hospitals Office with the priority being the reform of the hospitals sector.
- Establishment of a Health Information and Quality Authority to ensure that quality of care is promoted throughout the system.
- Move to devolving responsibility for care budgets to the people actually in charge of delivering that care.
- Complete modernisation of supporting processes (service planning; management reporting etc.) to improve planning and delivery of services, including maximising the impact of public funding.

These reforms are essential to the creation of a system that is accountable, effective, efficient and capable of responding to the emerging and ongoing needs of the public.

This is an ambitious and demanding reform programme. The successful implementation of the programme will require the single-minded engagement of everyone involved in the health system. A national communication process will ensure that all will have their chance to contribute to the process of implementation.

THE HEALTH SERVICE REFORM PROGRAMME

"Organisation structures must be geared to providing a responsive, adaptable health system which meets the needs of the population effectively and at affordable cost."

National Health Strategy Quality and Fairness – A Health System for You

The Health Strategy provides the blue-print for the development of the Irish health service over the coming decade – its goal is the building of a service which meets the highest international standards of care and support. When the strategy was launched it was made clear that a detailed programme of reform was needed. This includes organisational structures, processes and work practices. In particular, the objective is to strengthen local services while developing a national framework which will yield the full potential of available resources.

The current system has been in place for over thirty years. Changes in society and modern healthcare expectations means that it now faces challenges and levels of demand that were never envisaged at the time it was created. It is clear that we need to find more effective ways to organise our health service to meet the demands of the twenty-first century.

The *Health Service Reform Programme* sets the agenda for improvement in the Irish health service. This agenda includes a combination of ongoing investment and reform in the way we structure the business of healthcare provision in the best interests of the public. The reforms will require both cultural and structural change. This will mean change at every level of the service. The *Health Service Reform Programme* presents a unique opportunity for the public and the staff of the service to influence the way in which the change programme will be implemented.

WHY DO WE NEED TO CHANGE?

The existing healthcare structures have come under increasing pressure in recent years.

However, it is important to acknowledge that they have delivered significant increases in output in return for the investment provided. For example over the last five years:

- 21,000 more in-patients are being treated.
- 160,000 more day patient cases are being dealt with (an incredible 65% increase).
- 24-hour GP co-operatives are in place in each health board area and more are being established.
- An overall 75% reduction in the number of Group C meningitis cases.
- Regional cancer and cardiac care services are being developed.
- Over 550 extra beds in new community nursing units are in place.
- Over 1,250 extra day places have been provided in new day care centres.

Central to this increased level of service has been a sustained increase in Government investment. Of course you cannot have good health care without dedicated staff, and today there are over 25,000 more people involved in providing healthcare services than five years ago. Figures show that 10 out of every 11 additional staff recruited are providing direct services to patients and the public.

There has been a huge expansion in health services in recent years, but further development is still needed – and it is also important to step back and ensure that funding is being used to the greatest possible benefit for the public. It is now thirty years since there has been a "root and branch" review of the structure of the service.

Today the health service is made up of around 60 bodies and agencies each charged with the delivery of some aspects of health services. This growth has been based on the need to address specific healthcare problems at a particular point in time. However, this development has not been strategically managed. Studies have shown that the system is highly fragmented with overlap and uncertainty in terms of who is responsible for services delivered. This fragmentation means that the system is increasingly difficult to manage as a national service.

Within the structure of the current system there is no one agency that is directly responsible and accountable for the management of the health system as a national service. As a consequence, there is a significant degree of tension between local or regional interests and national policy – which makes the achievement of national strategic healthcare priorities difficult to deliver.

It is widely accepted that we need changes that will help achieve national healthcare goals efficiently, effectively and in an affordable manner. The current structures are not suited to deliver on this objective. In *Sustaining Progress*, the Government and Social Partners agreed that the resources invested in the health services need to be used effectively to achieve measurable health and social gain. The best possible structures need to be in place to underpin future investment. They agreed that the implementation of reform would be driven by the need to free up resources that could be reallocated to front-line service delivery.

The Government commissioned and has now considered a number of reviews of the health service which draw on local, national and international sources. The need for change is clear and the Government has developed the *Health Service Reform Programme* around what it considers to be the major system priorities. These are the need for:

(1) A national focus on service delivery and executive management of the system.

- (2) Reduced fragmentation of the current system to make it more manageable.
- (3) Clear accountability throughout the system.
- (4) Better budgeting and service planning arrangements.
- (5) Continuous quality improvement and external appraisal.
- (6) Robust information gathering and analysis capability.
- (7) Preserve and build on the strengths of the existing system.

By basing change on these priorities, the Government believes that it is possible to create a more rational, accountable and responsive health service which is dedicated to achieving the best outcomes for the public.

WHAT WILL CHANGE?

The Government considered a wide range of recommendations made to it on structures and management within the service and has decided that a number of priority actions need to be taken to move forward system reform. These key actions are:

- A major rationalisation of existing health service agencies to reduce fragmentation. This includes the abolition of the existing health board/authority structures.
- The reorganisation of the Department of Health and Children, to ensure improved policy development and oversight.
- The establishment of a Health Service Executive which will be the first ever body charged with managing the health service as a single national entity. The Executive will be organised on the basis of 3 core divisions:
 - *National Hospitals Office*
 - *Primary, Community and Continuing Care Directorate*
 - *National Shared Services Centre*

- *The Primary, Community and Continuing Care Directorate* will be made up of four Regional Health Offices of the Health Service Executive to deliver regional and local services.
- The establishment of a Health Information and Quality Authority to ensure that quality of care is promoted throughout the system.
- The modernisation of supporting processes (service planning; management reporting etc.) so that they will be in line with recognised international best practice.

The consolidated national structure set out in this reform programme will provide a clear national focus on service delivery and executive management. It will achieve this through reduced fragmentation and the creation of clear and unambiguous accountability throughout the system.

The role and function of the various organisations within the new health service structure are briefly set out below.

The Department of Health and Children:

Within the new structure there will be a clear separation of the executive and non-executive functions of the Department. The Department will have a dual role in the new structure which includes focusing on strategic and policy issues (by reducing its involvement in day-to-day matters) and having ultimate responsibility for holding the service delivery system to account for its performance. This will remove any confusion within the broader system about the role of the Department and create room to analyse and evaluate the performance of the service delivery system. The reforms require a fundamental reorganisation to reflect these roles.

Health Service Executive: In order to provide coherent management of the system as a national service, a Health Service Executive (HSE) will be established outside of the Department of Health and Children. The Health Service Executive will have its own board and will be accountable to the Minister for the executive management of the health service. An interim board of the Health Service Executive will be appointed shortly.

The Health Service Executive will function as a

national agency that delivers services, specified by the Department, within budget. The Health Service Executive will be organised on the basis of three service pillars.

National Hospitals Office: The National Hospitals Office (NHO) will be responsible for the management of the acute hospital sector nationally. This will provide a strong single centralised approach to the delivery of hospital services. A key function of the National Hospitals Office will be to advise on the organisation, planning and coordination of acute hospital services, including the location and configuration of particular services or specialties. Regional hospital groupings will be aligned with the areas of responsibility of the Regional Health Offices. Specifically the NHO will be responsible for:

- Planning, commissioning and funding all acute hospital services
- Managing the capital programme for these services
- Managing national waiting-lists
- Approving consultant posts in publicly funded hospitals
- Contributing to national policy development
- Ensuring hospital services are properly integrated within the wider health system
- Managing the interface with private providers
- Ensuring the delivery of National Strategies, especially on levels and standards of care.

The Government has approved the immediate establishment of a National Hospitals Office on an administrative/non-statutory basis pending the preparation of the legislation for the HSE.

Primary, Community and Continuing Care Directorate: This will be responsible for the management and delivery of non-hospital services at local and regional levels across the country. Primary, community, continuing and other non-acute services will be delivered through a network of four Regional Health Offices (RHO) supported by the existing Community Care Area structures (Local Health Offices). The RHOs will act as regional offices of the Health Services Executive, and will therefore come under the same accountability structures as the Executive.

Specifically, the RHO will be responsible for planning, commissioning and funding all non-acute services within the region and supporting a population health focus. This will include managing the relationship with acute hospitals within the region and accountability for resources and outputs at a regional level. They should also be responsible for the delivery of services best provided on a regional basis.

The above structure will mean that all the functions of the existing health boards and the Eastern Regional Health Authority will be subsumed within the new Health Service Executive. Services will continue to be delivered through the existing hospital and local health office networks but they will operate within a fundamentally realigned national management structure.

National Shared Service Centre: In managing a healthcare system, one of the major objectives must be to ensure maximum efficiencies and value for money. The establishment of a National Shared Services Centre (NSSC) with a remit for provision of shared services across the wider health system will provide the opportunity for considerable economies of scale and the promotion of a "single" standard of health service delivery.

The use of shared services will be mandatory for statutory agencies. Where there are clear efficiency gains, it is proposed that the HSE will be able, through service agreements, to oblige voluntary providers, who are publicly funded, to avail of NSSC services.

Health Information and Quality Authority: A key policy aim of the Health Strategy is to deliver high quality services that are based on evidence-

supported best practice. In order for the reformed health service to base planning and policy making on world-class standards, it is essential to ensure that high quality information is available to the system. The Health Information and Quality Authority will be established to achieve this aim. Its responsibilities will be built around three related functions (i) developing health information; (ii) promoting and implementing quality assurance programmes nationally; and (iii) overseeing health technology assessments.

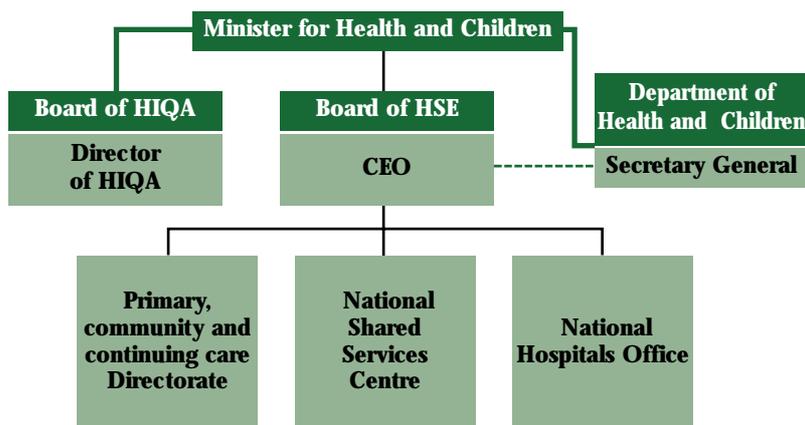
Consolidation and Rationalisation: In order to further consolidate the system and reduce the fragmentation that undermines the national management of the system, there is significant scope to reduce the number of individual agencies operating in the health system. The Government has decided to subsume up to 25 existing agencies into the Health Service Executive, Health Information Quality Authority or the restructured Department of Health and Children. In addition, another 7 bodies will be otherwise merged or abolished. This will include the abolition of the health boards and the Eastern Regional Health Authority.

Location of certain agencies within Revised Structures

Department of Health and Children Or Health Service Executive	Health Service Executive	HIQA
Crisis Pregnancy Agency	Comhairle na nOspidéal	National Cancer Registration Board
National Council for Ageing and Older People	Hospital Bodies Administrative Bureau	Irish Health Service Accreditation Board
Office of Tobacco Control	ERHA	National Disease Surveillance Centre
Women's Health Council	Health Boards (7) Area Health Boards (3) GMS (Payments) Board HeBE National Breast Screening Board Health Service Employers Agency Office for Health Management	
	Merged	Abolished
	Postgraduate Medical and Dental Board National Council for the Professional Development of Nursing and Midwifery National Social Work Qualifications Board Pre-Hospital Emergency Care Council Comhairle na Nimheanna (Poisons Council)	Board for the Employment of the Blind Hospitals Trust Board

THE RESTRUCTURED HEALTH SERVICE

The reform programme will deliver real advantages to those interacting with and those working within the health service. There will be a uniform management structure put in place specifically tasked with the delivery of a consistent set of national policy priorities. There will be a very significant clarification of the reporting relationships within the system with certainty about where responsibility and accountability will lie.



- Formal accountability
- - - - Ongoing liaison

Properly functioning national level management is essential to the development of a more coherent planning framework, to greater efficiency and effectiveness in the system and to the delivery of a higher level and quality of service to the public for the resources available.

FINANCIAL ACCOUNTABILITY

Within a reformed health service there will have to be a strong culture whereby everyone recognises the influence that their activities and choices have on the performance of the system. This involves recognition of the influence of financial considerations on behaviour and decision making. It will also require an acceptance of personal accountability and responsibility for budgets by those that make the front-line decisions to commit public resources.

The Government believes that in order to deliver real change and reform, it will be essential to devolve accountability for spending to the most appropriate decision making level. At the same time, the system must be structured to bring key decision makers fully into planning, management and control processes. Clinicians will be key players in this regard as their clinical decisions drive costs within the service. The creation of a system of structured accountability will have far reaching and positive consequences for the way the entire health system is organised, financed, managed and controlled.

The experience internationally is that clinicians are interested in and wish to have access to information on the cost of clinical activity, clinical performance and the outcomes of clinical activity. Case studies performed in a number of jurisdictions highlight the positive results from providing this information to clinicians, in a way that is appropriate and sensitive to medical practice.

The service must produce, as a matter of routine, high-quality information on factors including outcomes for patients and the costs involved. Clinicians, service users and those charged with overseeing the service do not currently have sufficient quality information to assess the value obtained from expenditure.

The Health Service Executive will be given the statutory authority to assign duties to clinicians, other health professionals and General Managers making them accountable for the financial implications of their clinical and management decisions. In the case of consultants and GPs there will be a requirement to renegotiate the contracts to strengthen their financial accountability.

MEASURING PERFORMANCE

It is clear that improved information flows on health service activities and their costs are necessary to underpin the proposed reforms. It is therefore necessary to develop supporting processes that are consistent with best practice in order to

- (i) Develop strong service planning and funding processes;
- (ii) Establish strong links between service delivery and evaluation; and
- (iii) Enhance the systems overall capability and performance.

Fundamental to this will be the further development of the service planning process and evidence-based funding.

Service Plans must be standardised across the country and constitute a clear statement of the quantity and quality of health and social care provision to be provided to the public. Only by doing this will it be possible to create reporting systems that focus on progress against stated objectives (both financial and care). It is also important that service planning, consistent with the concept of personal accountability, should involve the staff delivering care and treatment so as to bring those making the financial decisions on the ground into the planning process.

There have been significant demographic and social changes over the years that have implications for health service delivery and needs but are not reflected in the way in which resources have been allocated in the system (e.g. changes in the size and age profile of the population within each region). In a properly functioning system, funding will be determined in a manner that captures these changes in society.

WHAT HAPPENS NOW?

The Minister for Health and Children and the Government recognise the scale of the reform programme set out in this document. It is a complex, system-wide agenda for change. To succeed it will be necessary to clearly set out the Government's vision of reform to all within the existing health system, staff and staff representatives, consumers and the public. This engagement is a vital first step in the implementation process.

Change brings with it uncertainty. In particular, it can cause anxiety for those men and women working in the system that give of their best to provide quality health and personal social services to the citizens of this country. The ideal that has informed the Governments consideration of the reform programme has been one that sets out to create the conditions needed to support the many dedicated people working in the health service in doing what they wish to do: offer the highest quality service to the public.

The Government fully accepts that concerns of different groups need to be addressed through a programme of communication tailored to engage them in the change programme. Leaders in the system need to be actively involved from the outset in driving change and maintaining stability during the transition. Similarly, the engagement of staff and their representatives to support and participate in the implementation is also critical. It is understandable that existing staff will have concerns about the security of their jobs and their future career prospects within the reorganised health service. This lack of certainty, if poorly managed, may result in a drop in performance and morale. Finally, engaging the general public is a necessity for the acceptance and successful implementation of the proposed consolidated structure – the public must understand and support the vision of reform envisaged by the Government.

There will be an extensive communication programme within the health service in relation to the reform programme. The objective of the communications process is to present and discuss the Minister's vision for the future of the health system based on the Government's decisions.

The process, which will be completed by October 2003, will be aimed at:

- Developing the widest possible awareness;
- Explaining the rationale for the changes proposed;
- securing the widest possible input on how the implementation of the reports can be delivered;
- maintaining involvement in and support for the process; and
- making recommendations on priority ways forward for implementation of key elements of the reports.

Once all the data has been received and analysed, a final report will be prepared for the

Department of Health and Children. Interim findings will also be reported to the Department insofar as they may facilitate decisions on the implementation process.

The Government has decided to put in place robust structures to manage implementation of the reform programme. A series of action projects will be established, supported by an overall Project Office.

Each project will have a specific programme of work and defined outputs to be delivered in a given timeframe.

An interim Health Service Executive Board and National Hospitals Office will also be established shortly to make early progress on the reform of the hospital sector and to help drive the overall implementation process.