PAYING MORE TO WAIT LESS:
THE COST OF REDUCING IRELAND'S PUBLIC HOSPITAL WAITING LISTS

AOIFE BRICK

PRESENTATION TO ESRI POLICY CONFERENCE

MARCH 3RD 2021

BACKGROUND

- Work arising from the Hippocrates acute hospital expenditure projection modelling work

- Refines methods used in the first Hippocrates report in 2017

- The analysis should be seen as a framework which can be applied at any time with the most recent data

CONTEXT

- Waiting lists are a feature of all health systems and a significant issue in Ireland over the last two decades

- Capacity constraints being the most likely cause with several recent reports highlighting the requirement for more beds etc.

- Sláintecare report from the Committee on the Future of Health in 2017 set waiting time targets

- Having large numbers on waiting lists is not necessarily an issue, the issue is long waiting times

AIM

- Important for expenditure projections

- The aim of this analysis is to estimate the activity and expenditure required to reduce public patient waiting times to 12 weeks over a 5-year period

- 12 weeks is used as a working assumption for all services – Sláintecare report suggested 10 weeks for outpatients
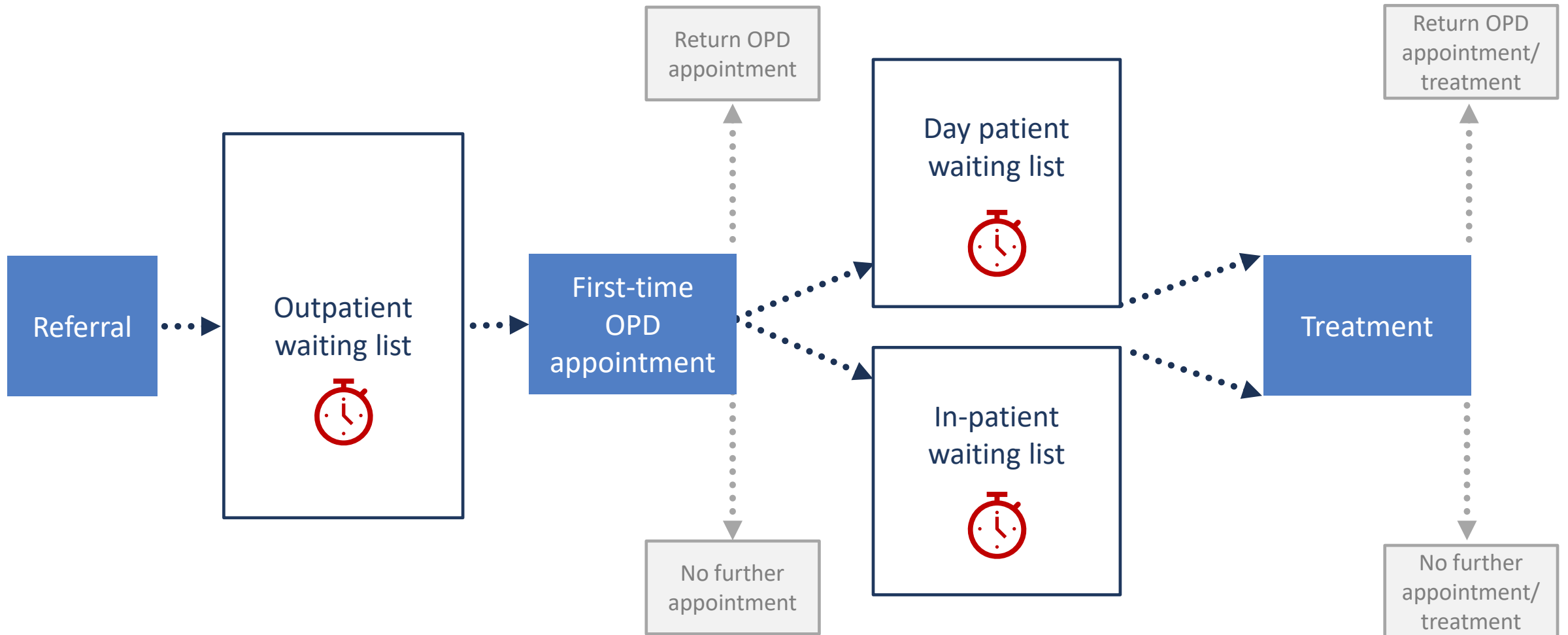
SCOPE

- Activity
  - Public patients
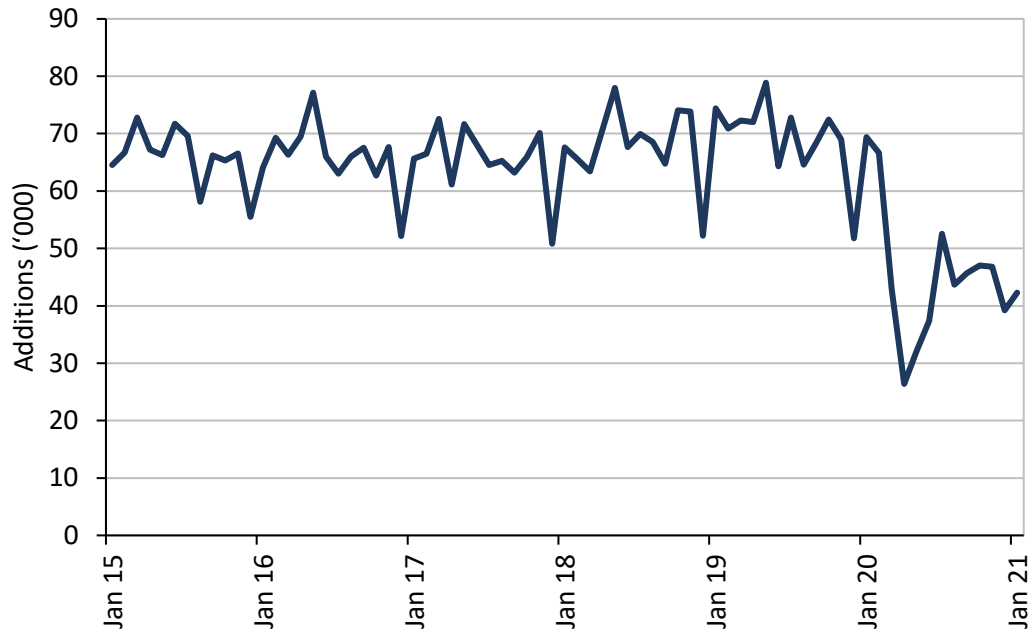 - Public hospitals
  - No specialty level analysis
- Expenditure
  - OPD – first appointment cost only
  - DP/IP – treatment cost
  - We do not account for the cost of
    - increasing bed capacity or staffing in the public sector
    - commissioning treatment
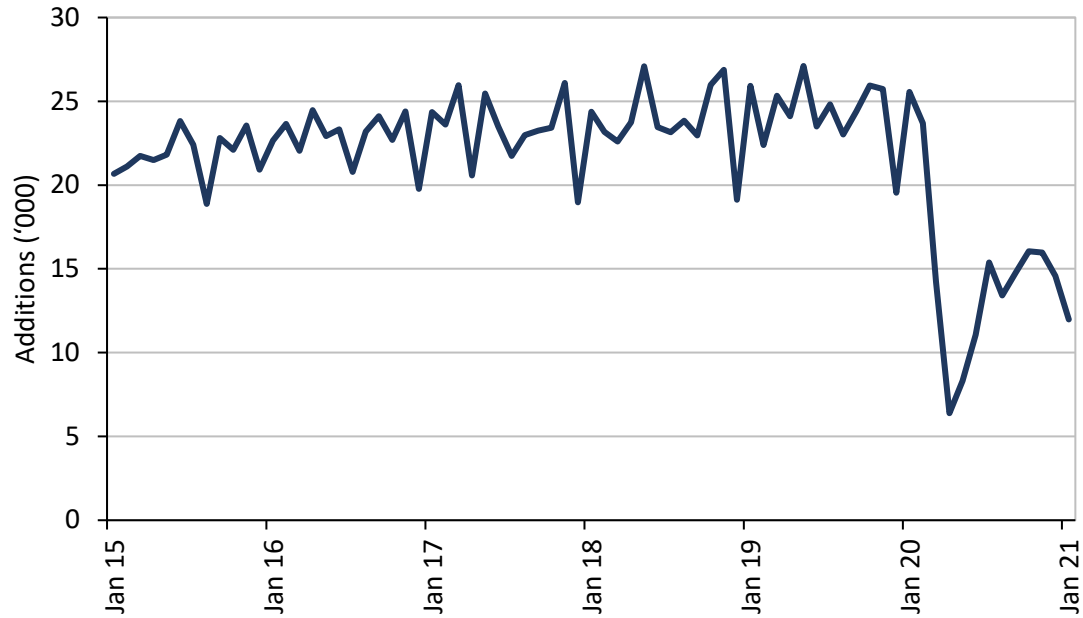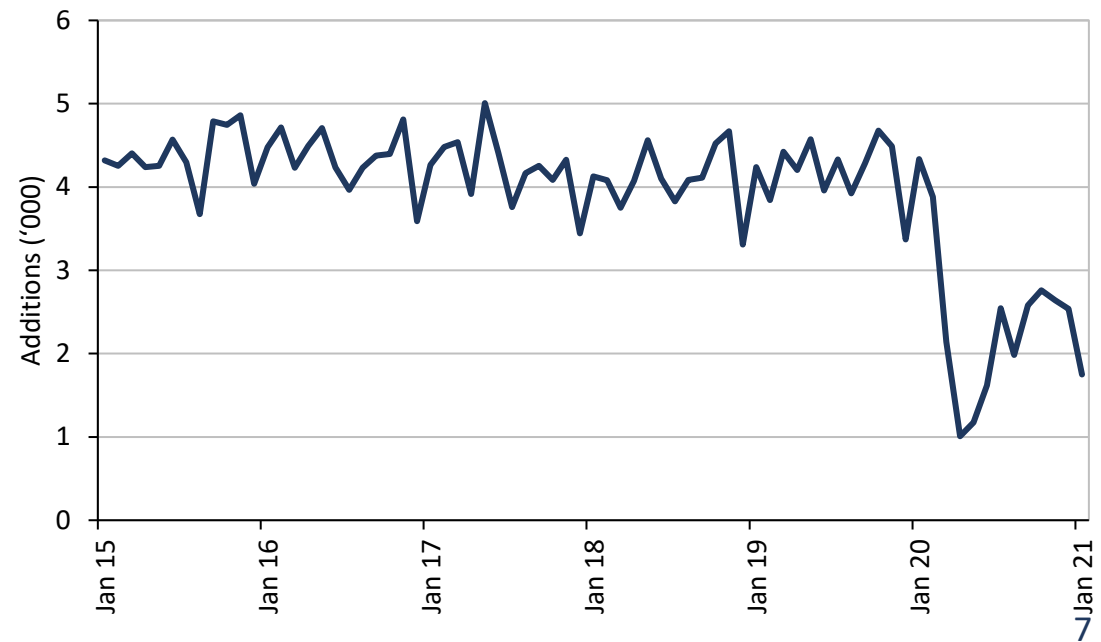
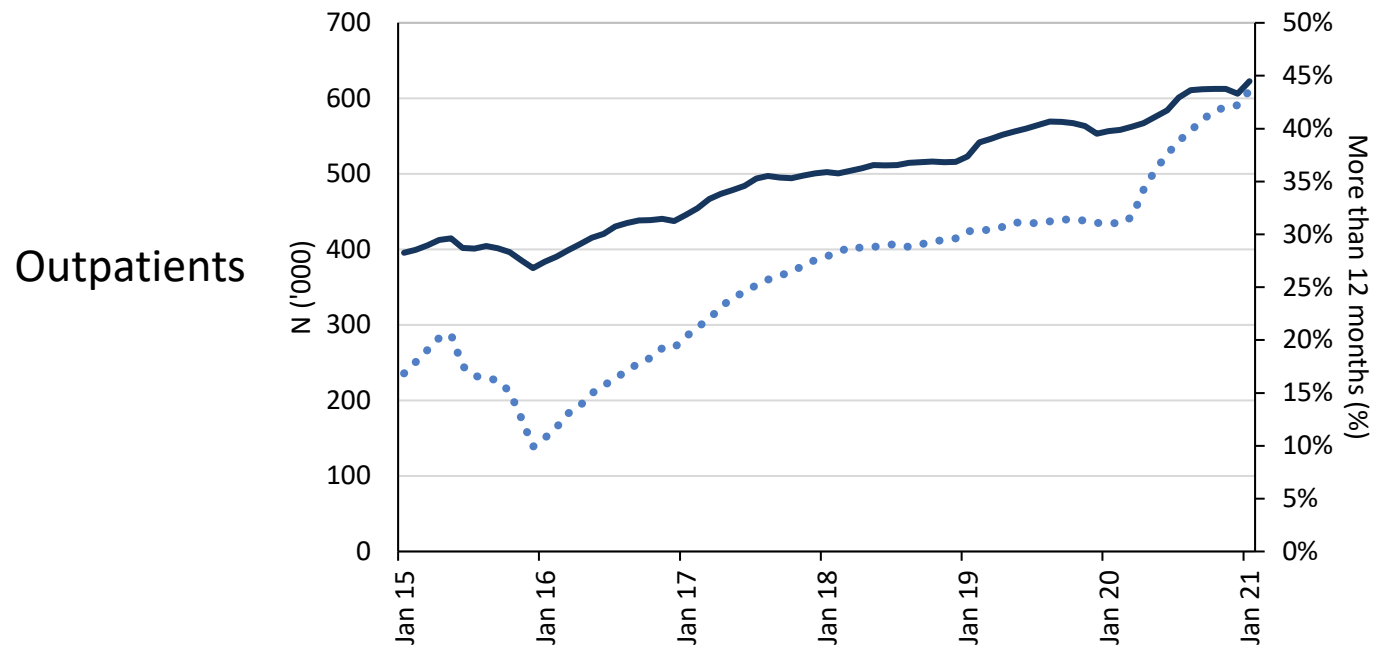# PUBLIC PATIENT PATHWAY OUTLINE

Outpatients

Additions ('000)

Additions to the list by month
January 2015-January 2021

Day patients

Additions ('000)

In-patients

Additions ('000)

Outpatients

Waiting >12 months	January 2020	January 2021
OPD	31%	44%
DP	8%	20%
IP	18%	32%

— Total waiting

····· more than 12 months %

Day patients
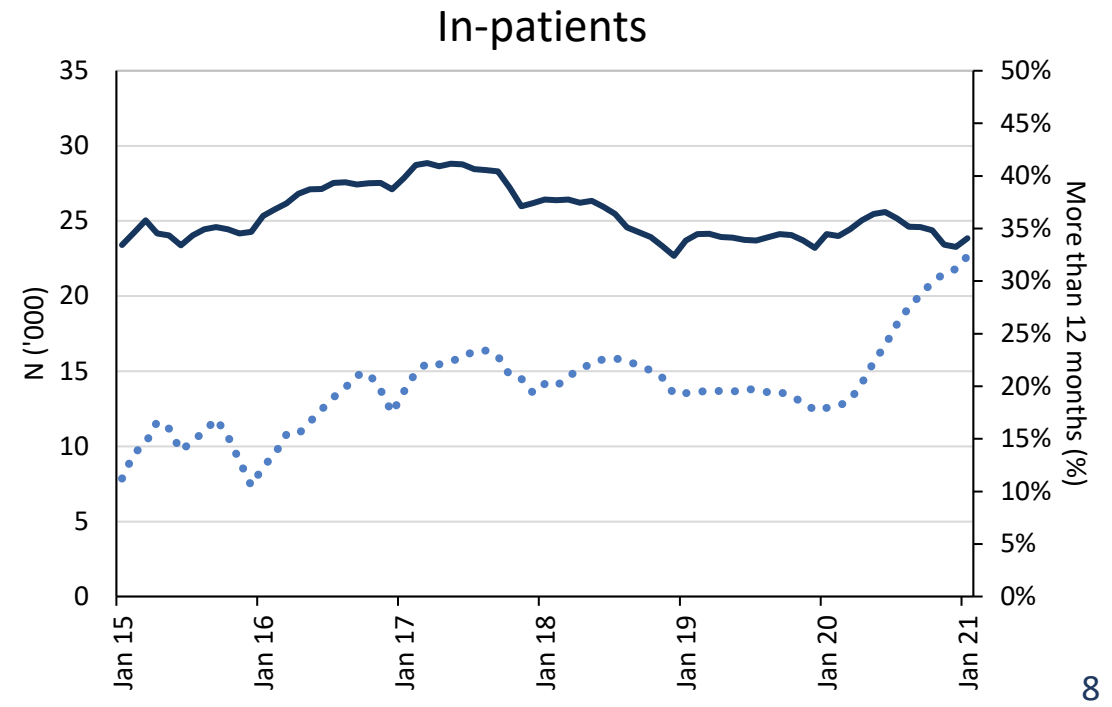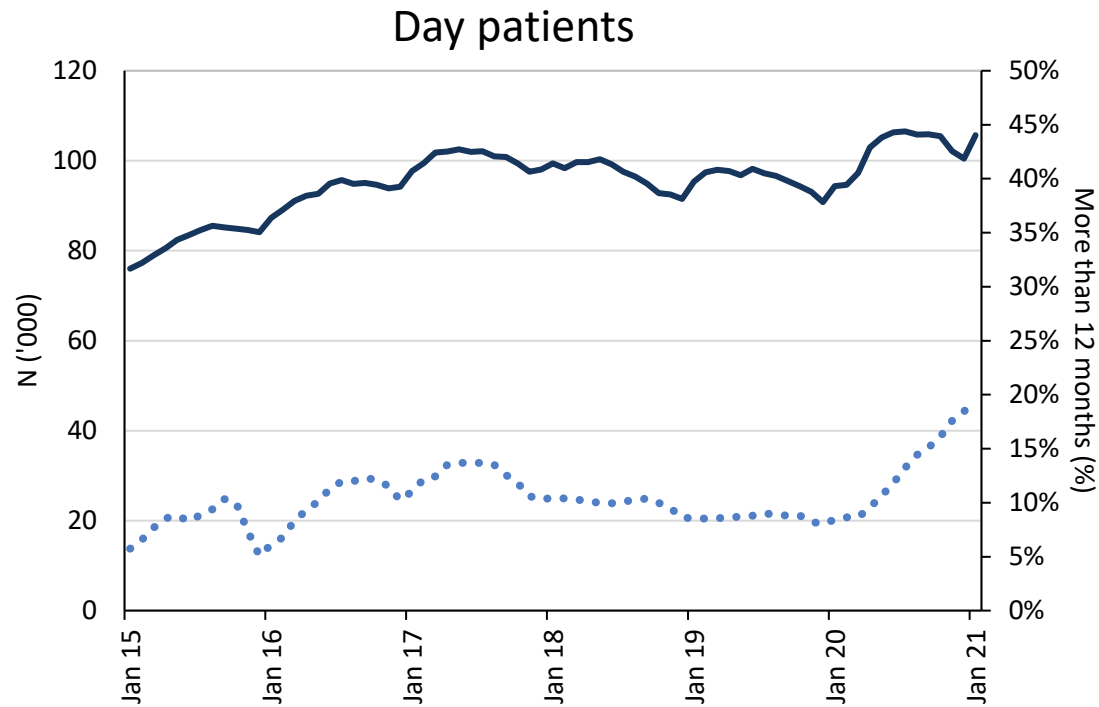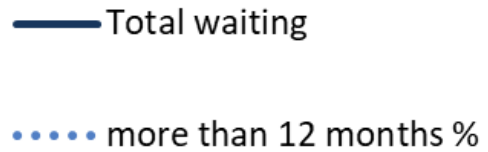
In-patients

DATA

- ## Waiting list data – NTPF

  - Three waiting lists considered – outpatient, day patient and in-patient

    - o total number of patients waiting and the number of additions to the lists each month 2015-2020.

    - o age and sex profile of waiters 2018

- ## Expenditure – HPO

  - Outpatient – HPO specialty costing – mean cost of outpatient appointment in 2018

  - Day/in-patient – HPO Hospital In-Patient Enquiry Scheme – complexity weights and base costs 2018

METHOD

ACTIVITY REQUIREMENTS

- How much additional activity is required to <u>reduce</u> and <u>maintain</u> waiting lists at 12 weeks within 5 years (2021-2025)?

  1) **Non-recurring activity (backlog):** the number of people waiting for longer than 12 weeks at a point in time

  2) **Recurring activity:** the amount by which activity needs to increase each year, above the established growth trend, to stop waiting times from growing

  3) **Outpatient conversion**

ACTIVITY REQUIREMENTS

1) Non-recurring (backlog)

- We have *assumed* the backlog stopped growing at the end of December 2020

- Backlog calculated for each month between November 2018 and October 2020

- For Hippocrates we considered two scenarios
  - mean of the backlog calculations
  - maximum of the backlog calculations

ACTIVITY REQUIREMENTS

2) Recurring activity

- Two series are considered
    i)   Waiting list growth rate
    ii)   Additions growth rate

- To ensure that waiting times do not grow, the waiting list growth rate must be no faster than the addition growth rate.

ACTIVITY REQUIREMENTS

2) Recurring activity cont'd.

- For the three services between March 2015/2016 and February 2019/20
  - Waiting list mean year-on-year growth rate
  - Additions mean year-on-year growth rate

- Each growth rate is applied to the total list size.

- Differential between the two is the volume of additional activity required to stop waiting times from growing

ACTIVITY REQUIREMENTS

3) Outpatient conversion

- In order to maintain waiting times at 12 weeks we must consider the conversion of the outpatient <u>recurring</u> and <u>non-recurring</u> activity to day or in-patient activity
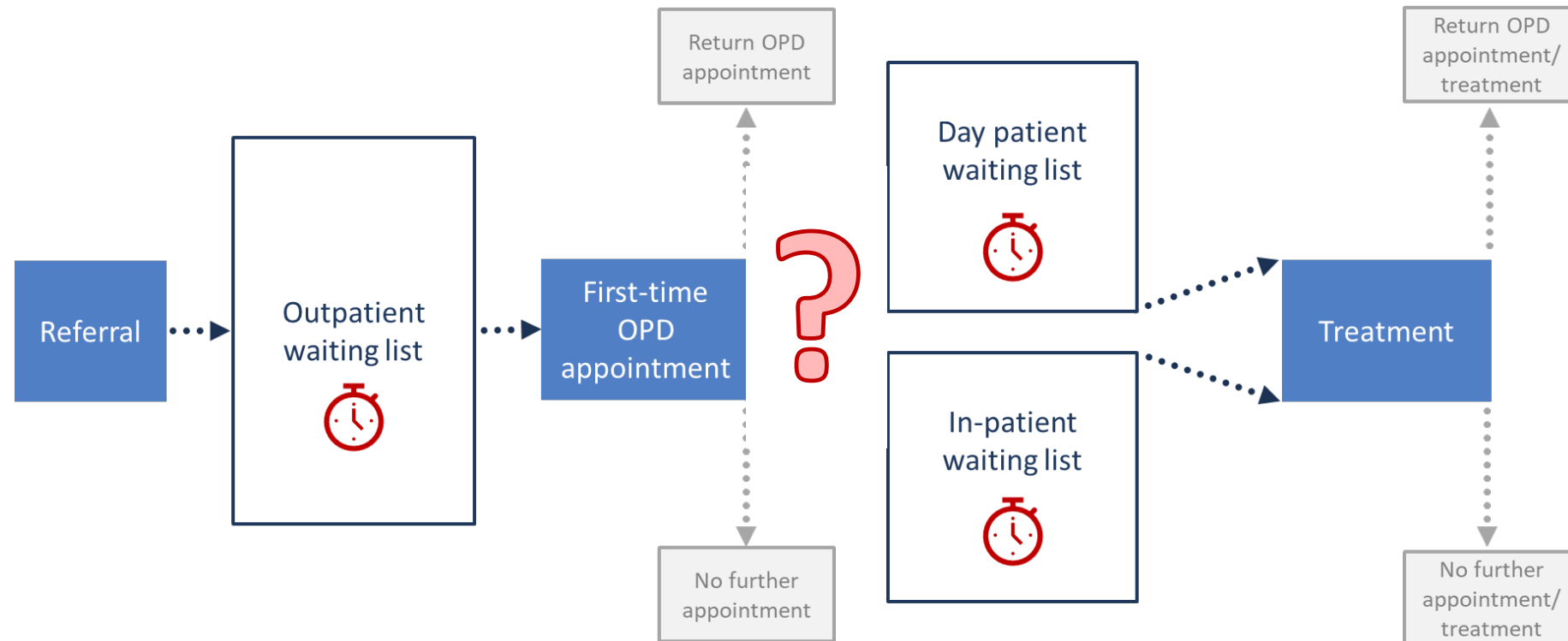
ACTIVITY REQUIREMENTS

3) Outpatient conversion

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- In the UK, where <u>referral to treatment</u> lists are used, it is estimated at 36% (Charlesworth et al., 2020)

- As a working assumption for Hippocrates we apply an OPD conversion rate of 33.3%

EXPENDITURE REQUIREMENTS

- How much additional expenditure is required to reduce and maintain waiting lists at 12 weeks within 5 years?

- Outpatient activity –
    - There are no patient level costs available
    - We use the mean cost of an outpatient appointment as calculated by the HPO.

- Day and in-patients – Costs will vary depending primarily on the treatment required but also by the age and sex of the patient.

FINDINGS

ADDITIONAL ACTIVITY AND EXPENDITURE 2021-2025

		LOW (20%)		HIGH (33.3%)	
		Activity	Expenditure	Activity	Expenditure
		('000)	(€m)	('000)	(€m)
Non-recurring (Backlog)	OPD	104	20	104	20
	DP (incl. OPD conversion)	34	45	45	61
	IP (incl. OPD conversion)	7	65	10	83
	Non-recurring - per annum	-	130	-	164

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	DP (incl. OPD conversion)	34	45	45	61
	IP (incl. OPD conversion)	7	65	10	83
	Non-recurring - per annum	-	130	-	164
Recurring	OPD	45	9	45	9
	DP (incl. OPD conversion)	8	11	14	18
	IP (incl. OPD conversion)	2	14	2	22
	Recurring - per annum	-	33	-	48

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ADDITIONAL ACTIVITY AND EXPENDITURE 2021-2025

		LOW (20%)		HIGH (33.3%)	
		Activity	Expenditure	Activity	Expenditure
		('000)	(€m)	('000)	(€m)
Total	OPD	149	29	149	29
	DP (incl. OPD conversion)	42	57	59	79
	IP (incl. OPD conversion)	9	79	12	104
	Per annum (2021–2025)	-	164	-	212

	Required (max)	2018 actual	%
OPD (first time public ex maternity)	149	950	16
DP (public ex maternity-non-DCR)	59	560	11
IP (public ex maternity -elective-non-DCR)	12	72	17

SUMMARY

- Substantial initial expenditure over 5-year clearance period of between €800m and €1.1bn or circa €200m per annum

- €200m is approximately 3.3% of total expenditure in 2018 which was €5.9bn

- Expenditure in subsequent years (2026+) would be approximately €65m additional to maintain

- Potential to offset the required expenditure

SUMMARY

- Recent developments

- Policy choices

  "successful approaches typically combine the specification of an appropriate maximum waiting time together with supply-side and demand-side interventions and a regular monitoring of progress" (OECD, 2020)

- Periodic updating of the analysis required

- Future work – data requirements

THANK YOU

- https://www.esri.ie/research/health-and-quality-of-life/hippocrates-model

- aoife.brick@esri.ie

- conor.keegan@esri.ie