

Budget Perspectives 2026

DATE

11th June 2025

VENUE

ESRI, Whitaker Square, Sir
John Rogerson's Quay,
Dublin 2



Medical Card Coverage and the Impact of Income Limit Freezes

Authors:

Claire Keane

Simona Sándorová

Brendan Walsh



Introduction

- Ireland is an outlier in Europe in not having a universal healthcare scheme.
- Medical Cards were established out of the 1970 Health Act to reduce the healthcare burden on low-income households.
- Cards are means-tested with income limits based on gross income for those aged 70+ and net income after allowances (e.g. housing, childcare costs etc) for those aged <70.

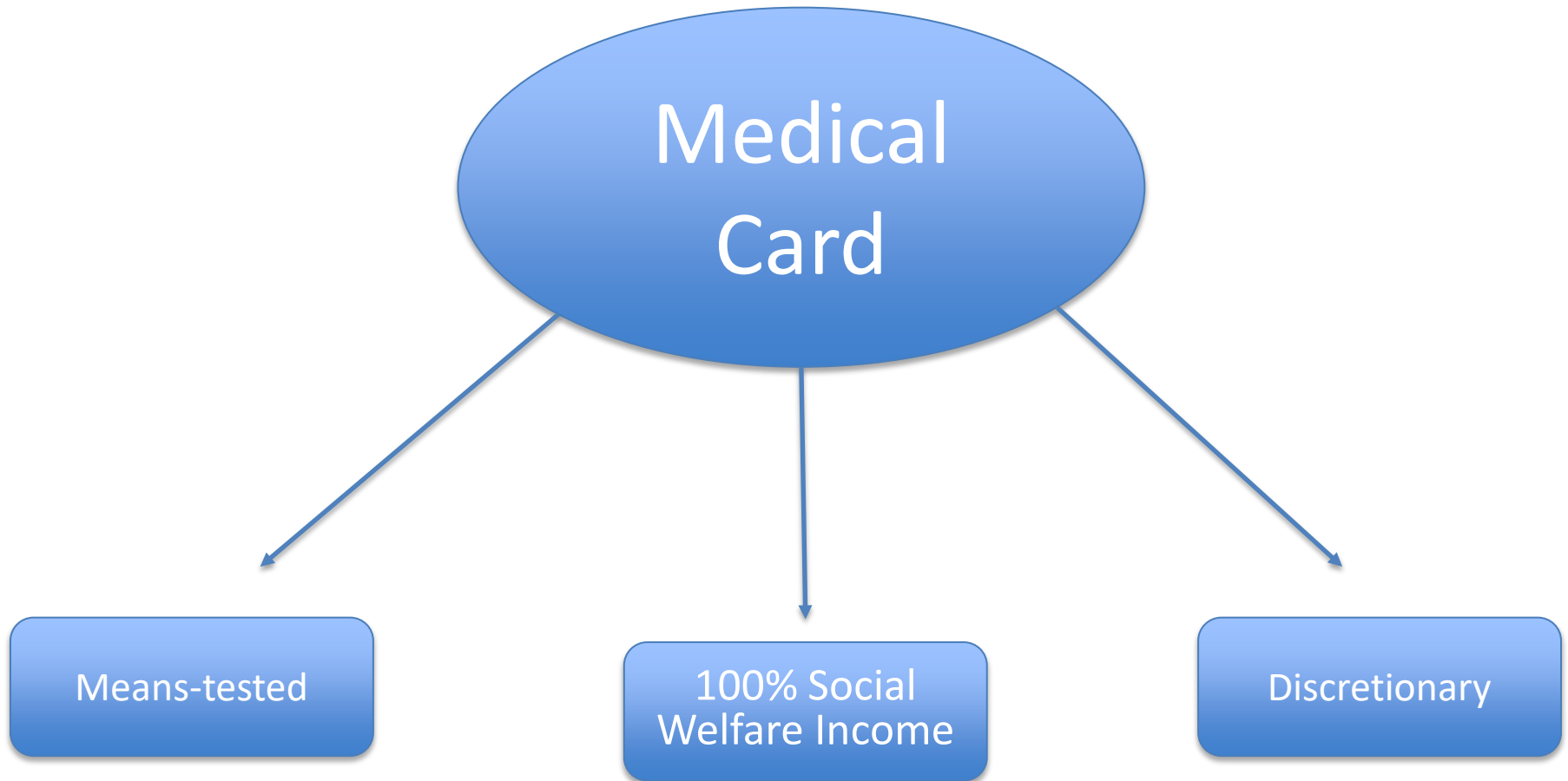
Introduction

- The Medical Card system provides access to free healthcare for those on lower incomes e.g. free GP visits, prescription medicines etc.
- There are also non-healthcare benefits e.g. reduced USC rate, free school travel.
- The income limits for the cards have remained unchanged for those under 70 since 2005.

Introduction

- Those with income above the limit but who face high medical expenses can be awarded a **discretionary Medical Card**.
This can be an arbitrary decision.
- Due to fears that increase in social welfare would put families above the income limit a rule was introduced in the early 2000's that if a family was above the limit but **all income** was from **social welfare** they would qualify.

This creates horizontal inequity and a work disincentive.



This research:

- We examine how card coverage has changed over time across different groups.
- We examine what it would look like if income limits had increased in line with inflation.
- We look at the cost of increasing the limits.
- We also examine how important the existence of the ‘social welfare rule’ is.

Medical Card Income Limits

Income limits, allowances and disregards	2005/2022
Single person living alone aged 70 and over	€500/550/week
Married, co-habiting couple/single parent family aged 70 and over	€900/1050/week
Single person living alone aged 66 and over	€201.50/week
Married, co-habiting couple/single parent family aged 66 and over with dependants	€298/week
Single person living with family aged 66 and over	€173.50/week
Single person living alone aged 65 and under	€184/week
Married, co-habiting couple/single parent family aged 65 and under with dependants	€266.50/week
Single person living with family aged 65 and under	€164/week
Allowance for children	€38-78/week

Social Welfare rule importance?

Social welfare rates	2005	2022	% change
State Contributory Pension (max.)	€179.30/week	€253.30/week	41%
State Non-Contributory Pension (max.)	€166/week	€242.00/week	46%
Jobseeker's Allowance/Benefit; Disability Allowance; Illness Benefit	€148.80/week	€208/week	40%

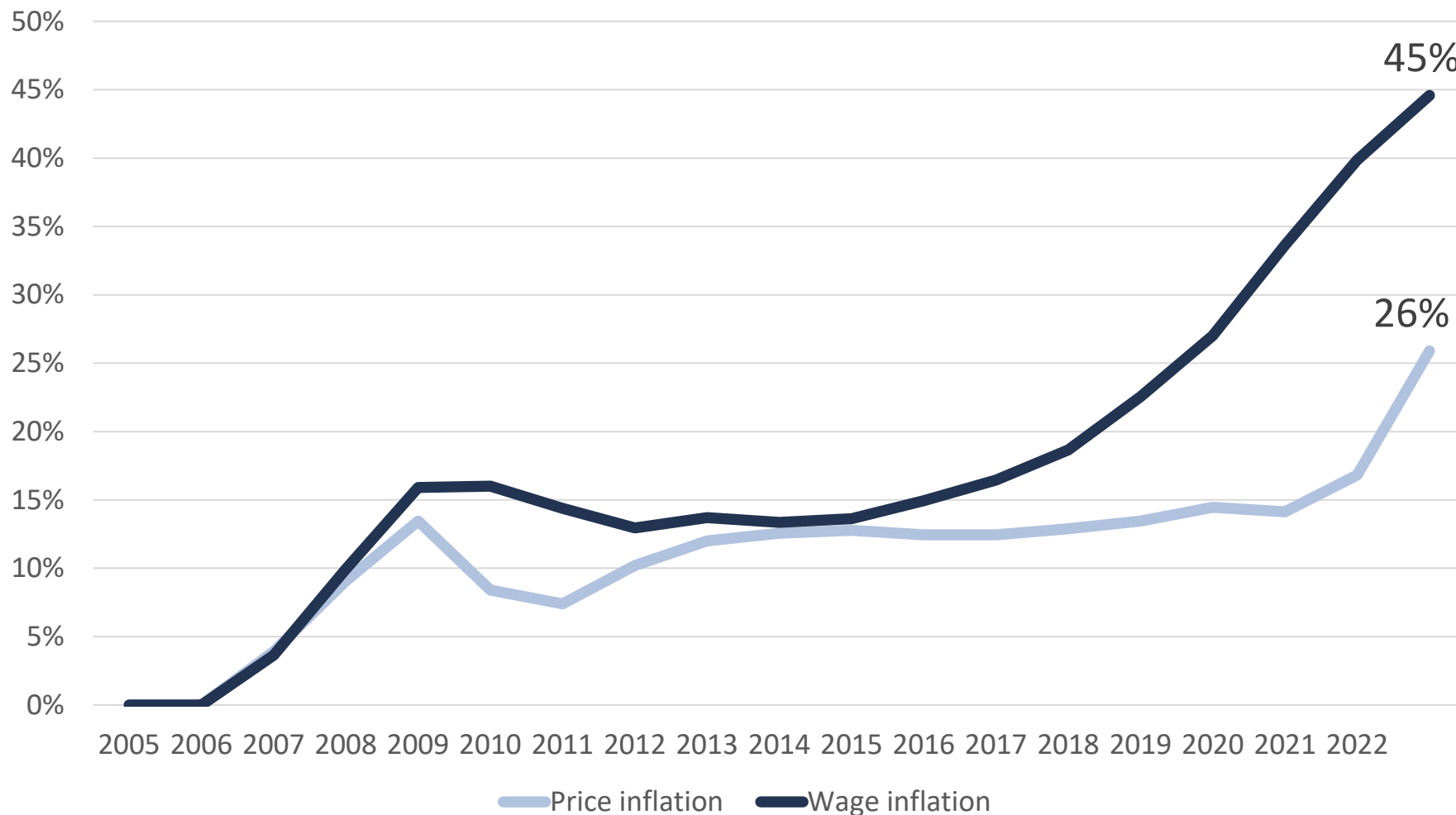
Medical Card Income Limits:

Single person aged 70+: **€500/€550** per week

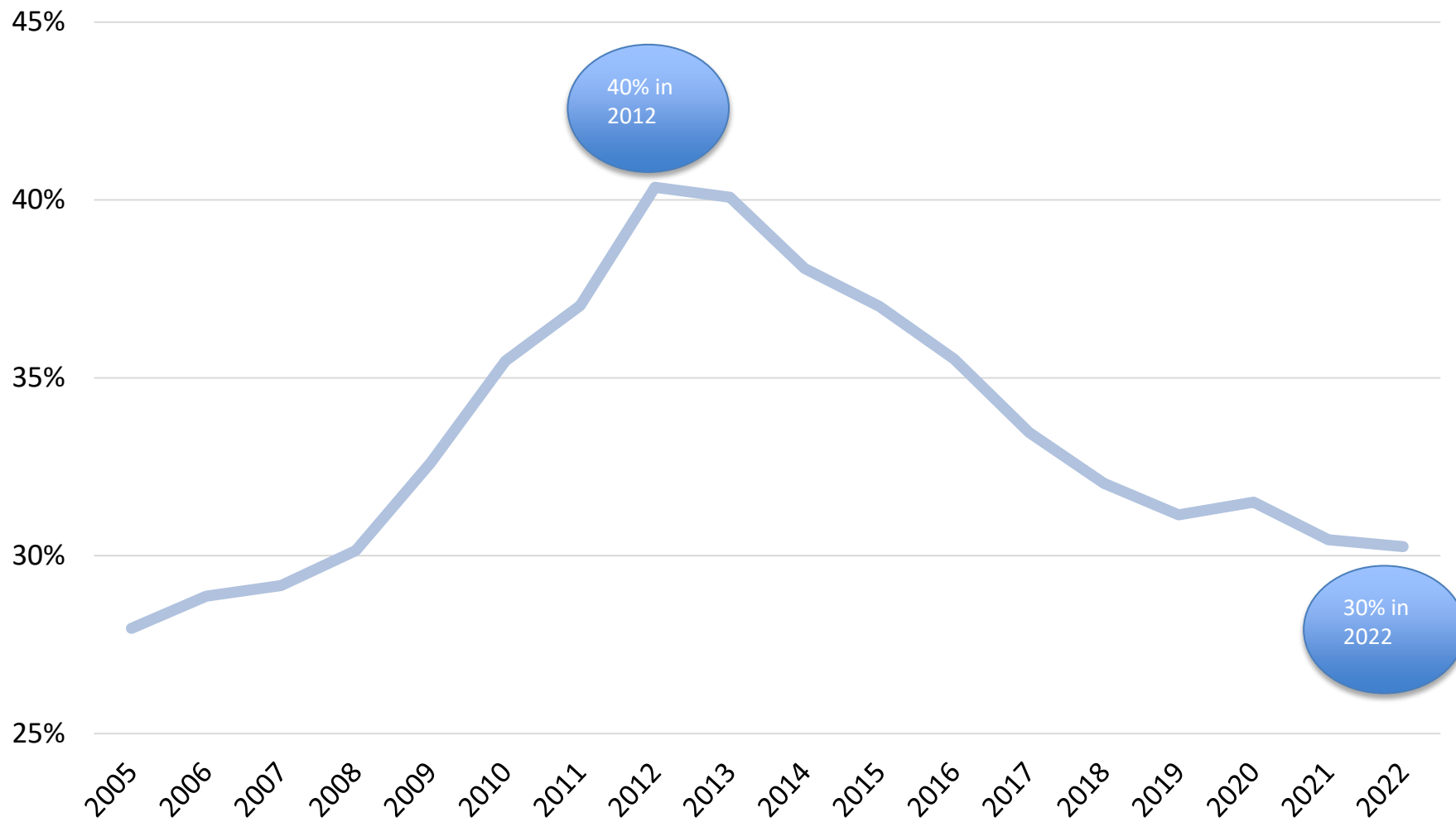
Single person aged 66-69: **€201.50** per week

Single person aged <66: **€164-€184** per week

Cumulative price and wage inflation 2005-2022



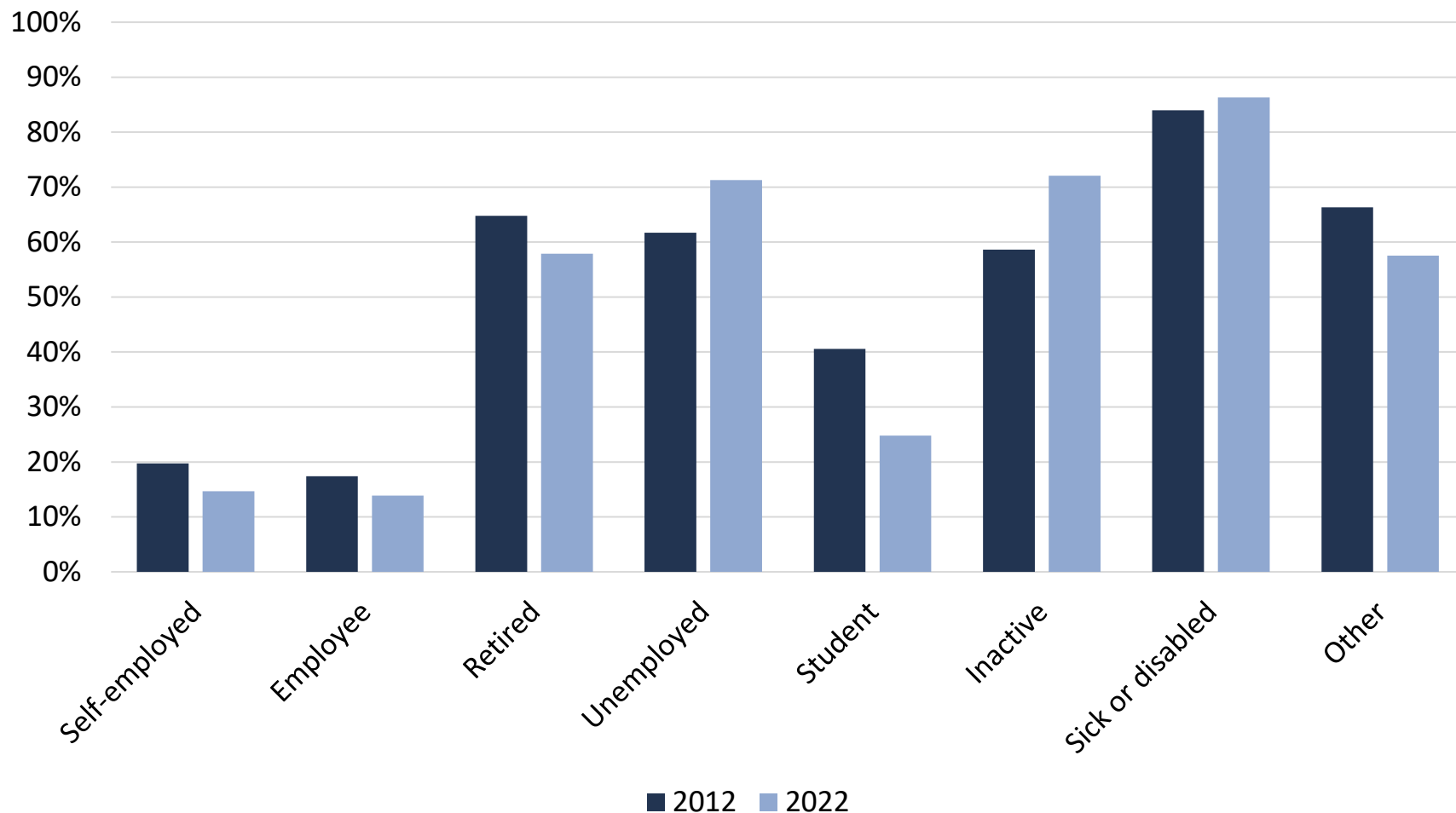
Medical Cards recipients as % of total population 2005-2022



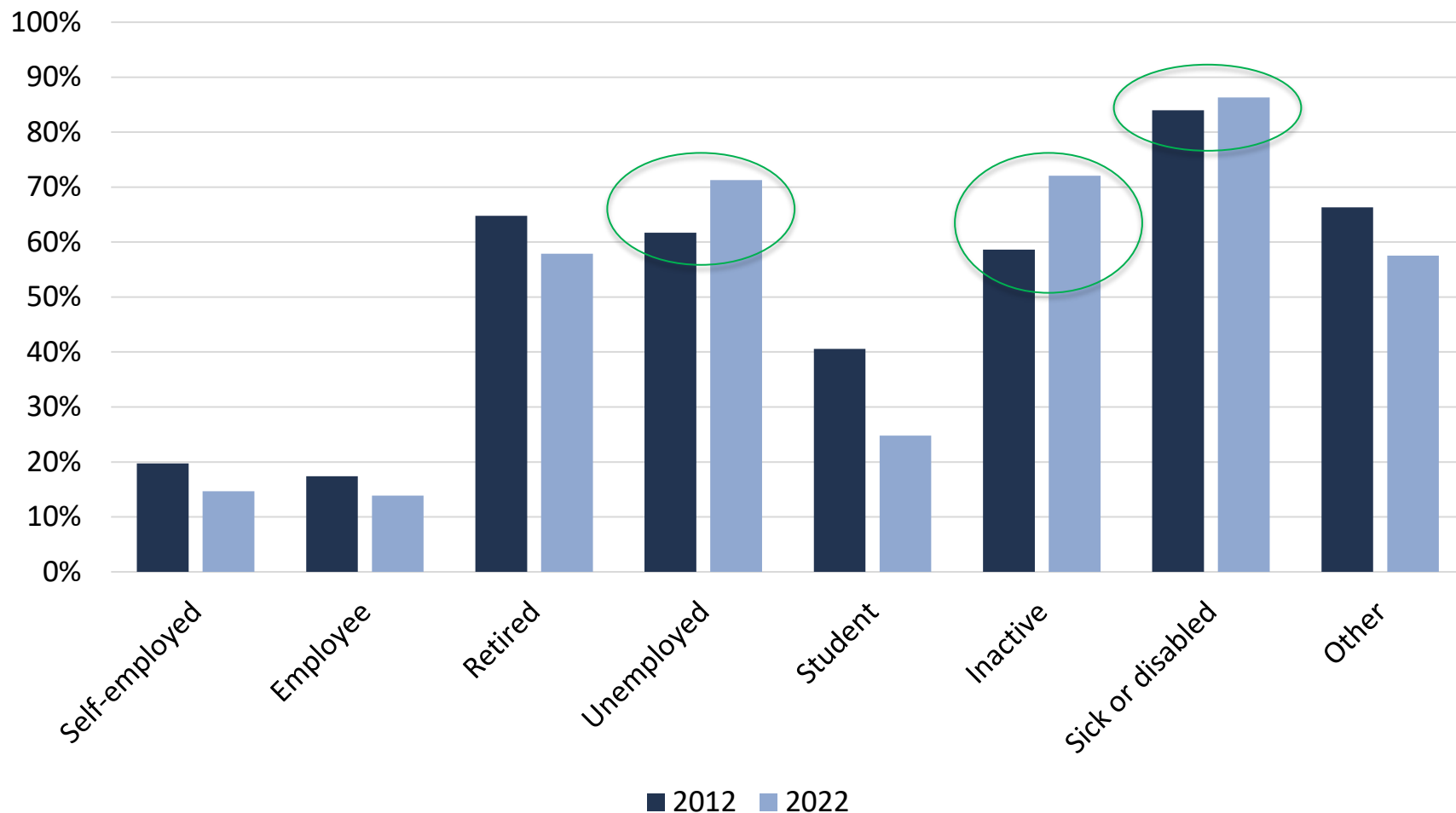
Medical Card Coverage 2012-2022

- Use data from the Survey of Income and Living Conditions.
- People are asked if they hold a Medical Card
- Examine card coverage across different groups.
- Given the frozen income limits and the 100% social welfare rule we anticipate a decline in coverage for those economically active.....

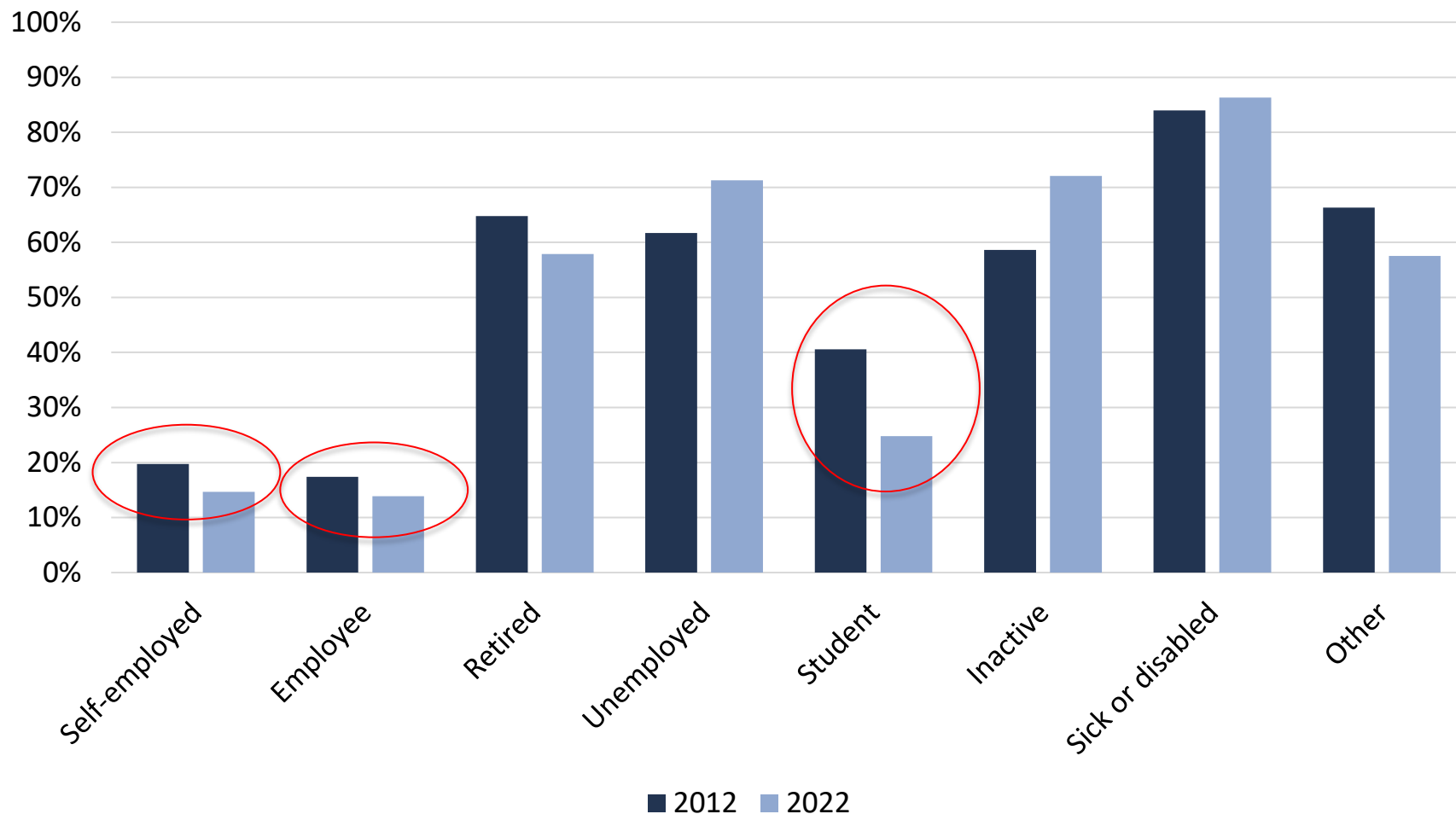
Medical Card coverage by labour market status



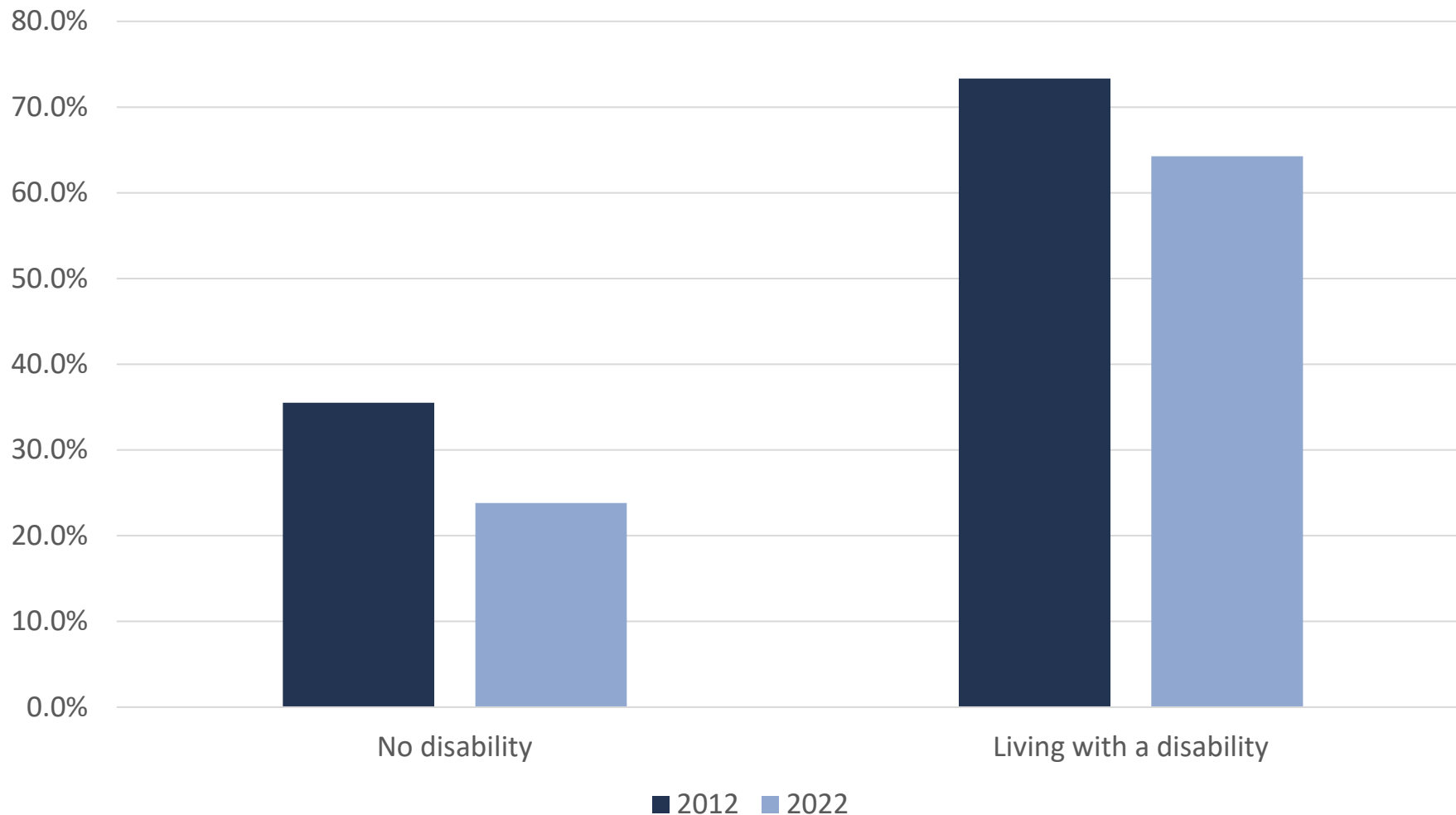
Medical Card coverage by labour market status



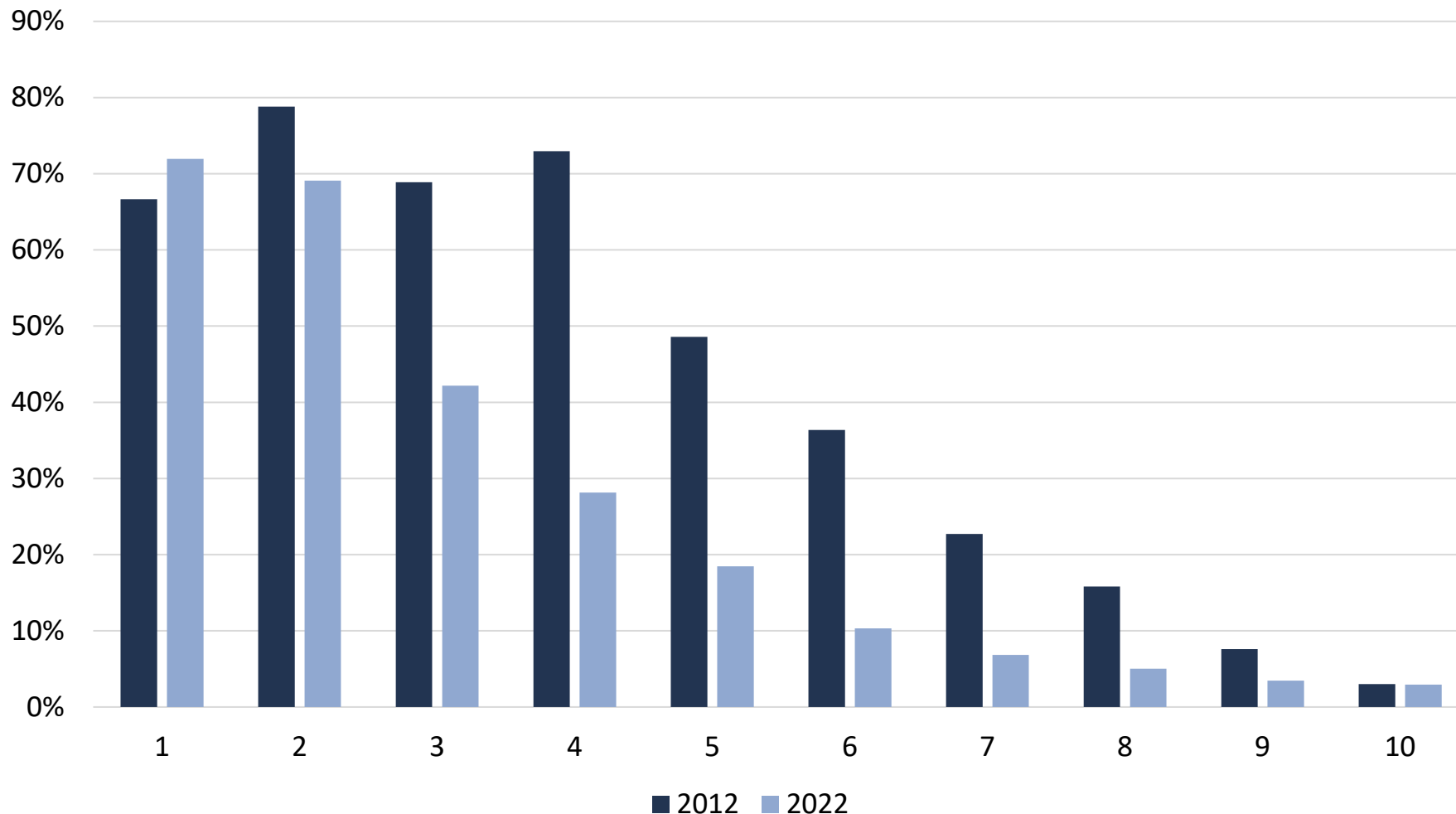
Medical Card coverage by labour market status



Medical Card coverage by disability status



Medical Card coverage by household equivalised disposable income decile



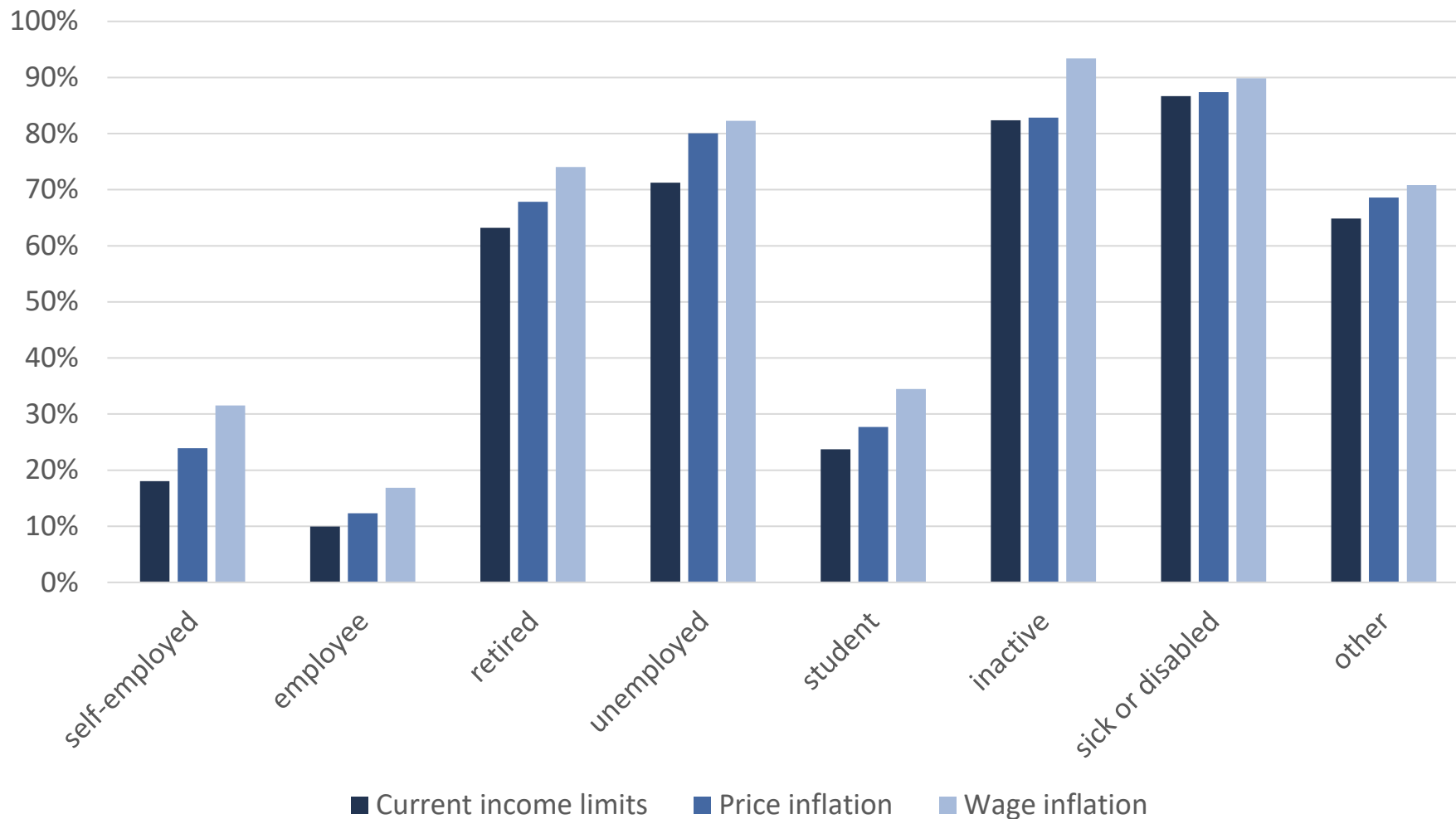
Medical Card Coverage: Adjusted Income Limits

- We use SWITCH, the ESRI's tax-benefit microsimulation model to examine the impact of limits remaining at 2005 levels.
- SWITCH runs on 2022 SILC data and contains all the information needed to simulate Medical Card eligibility.
- We estimate card coverage under 2 scenarios:
 - 2022 limits adjusted by price inflation (26%)
 - 2022 limits adjusted by wage inflation (45%)

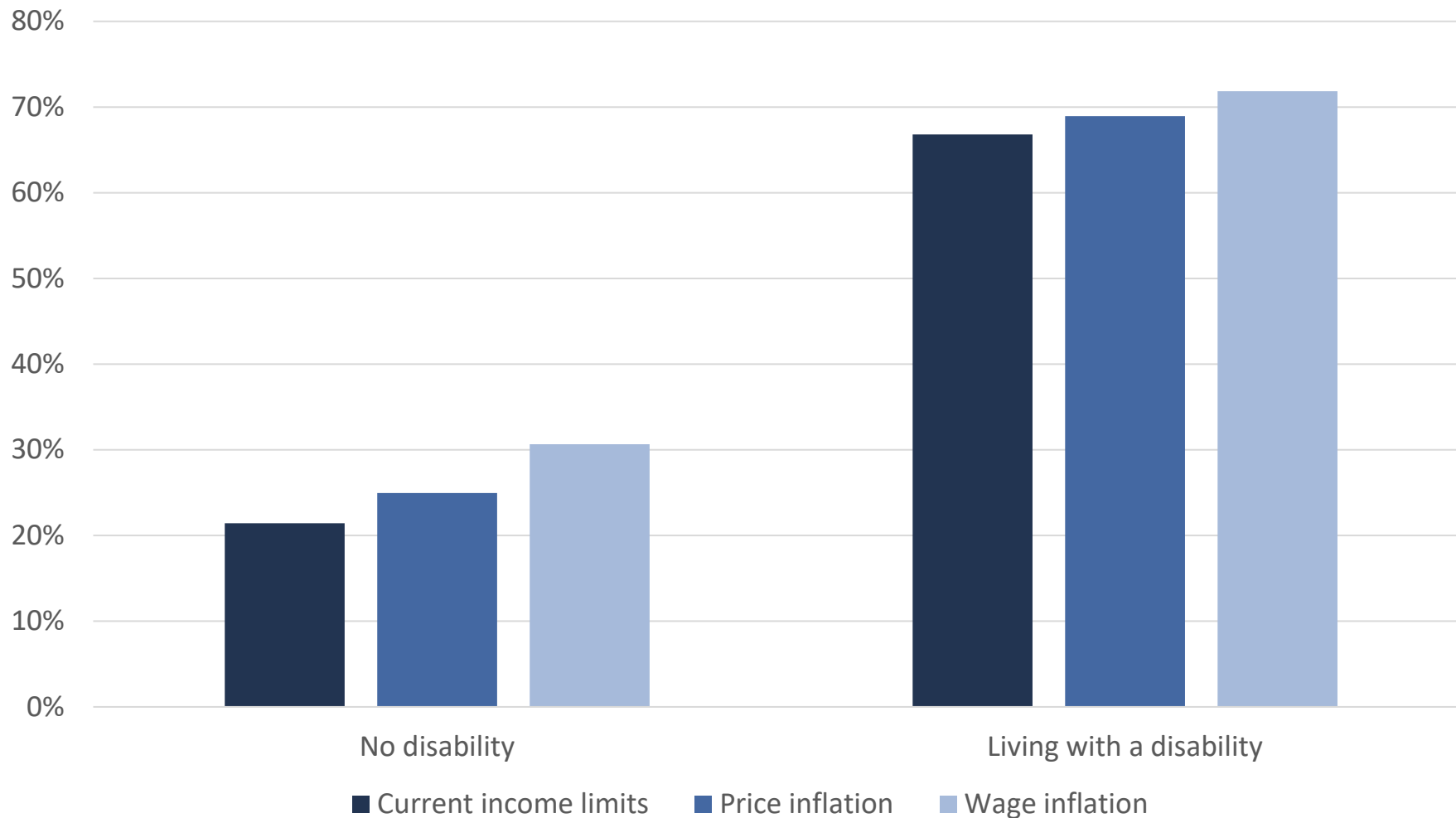
Card Coverage – Increased Income Limits



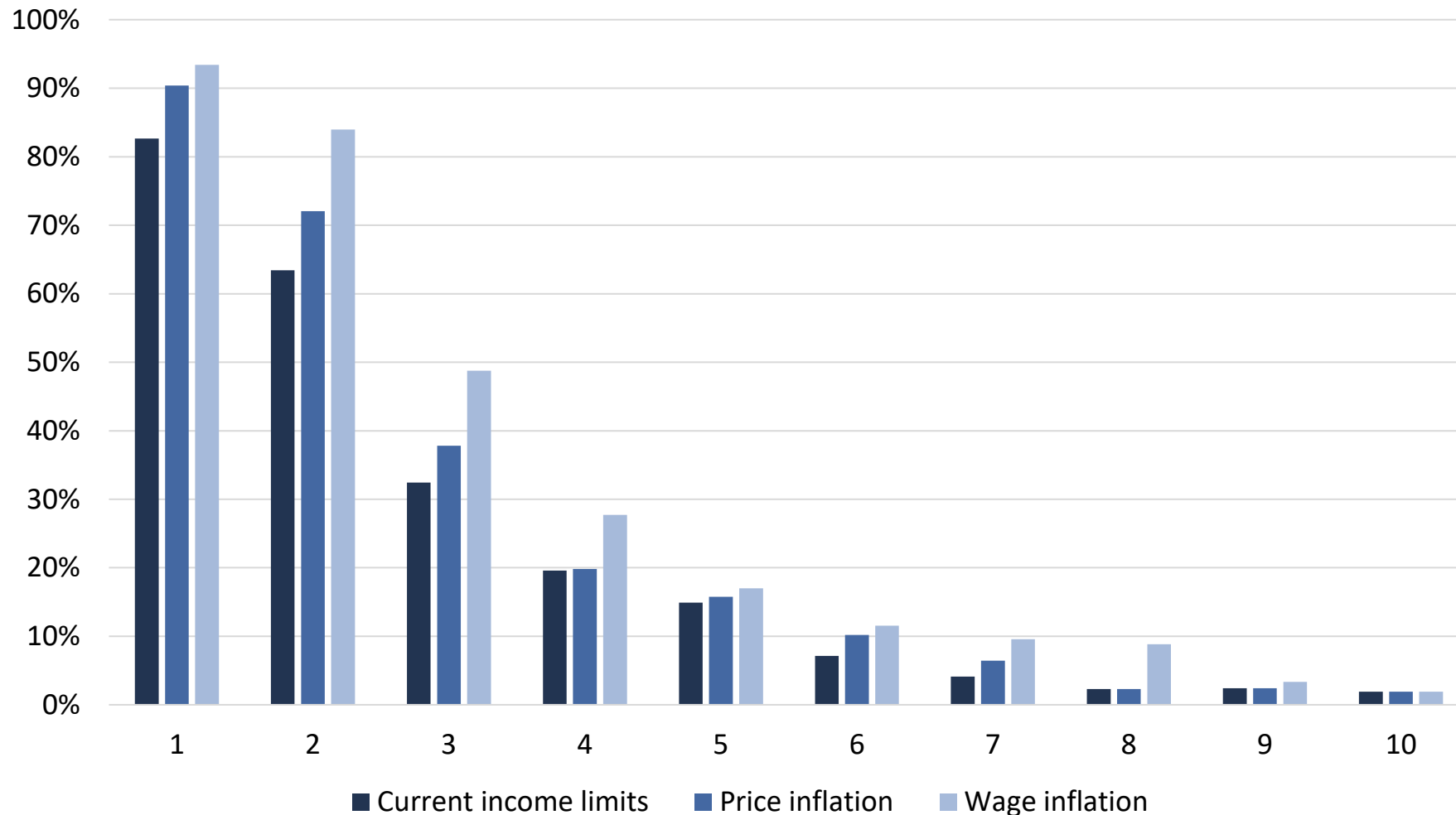
Medical Cards recipients by labour market status



Medical Cards recipients by disability status



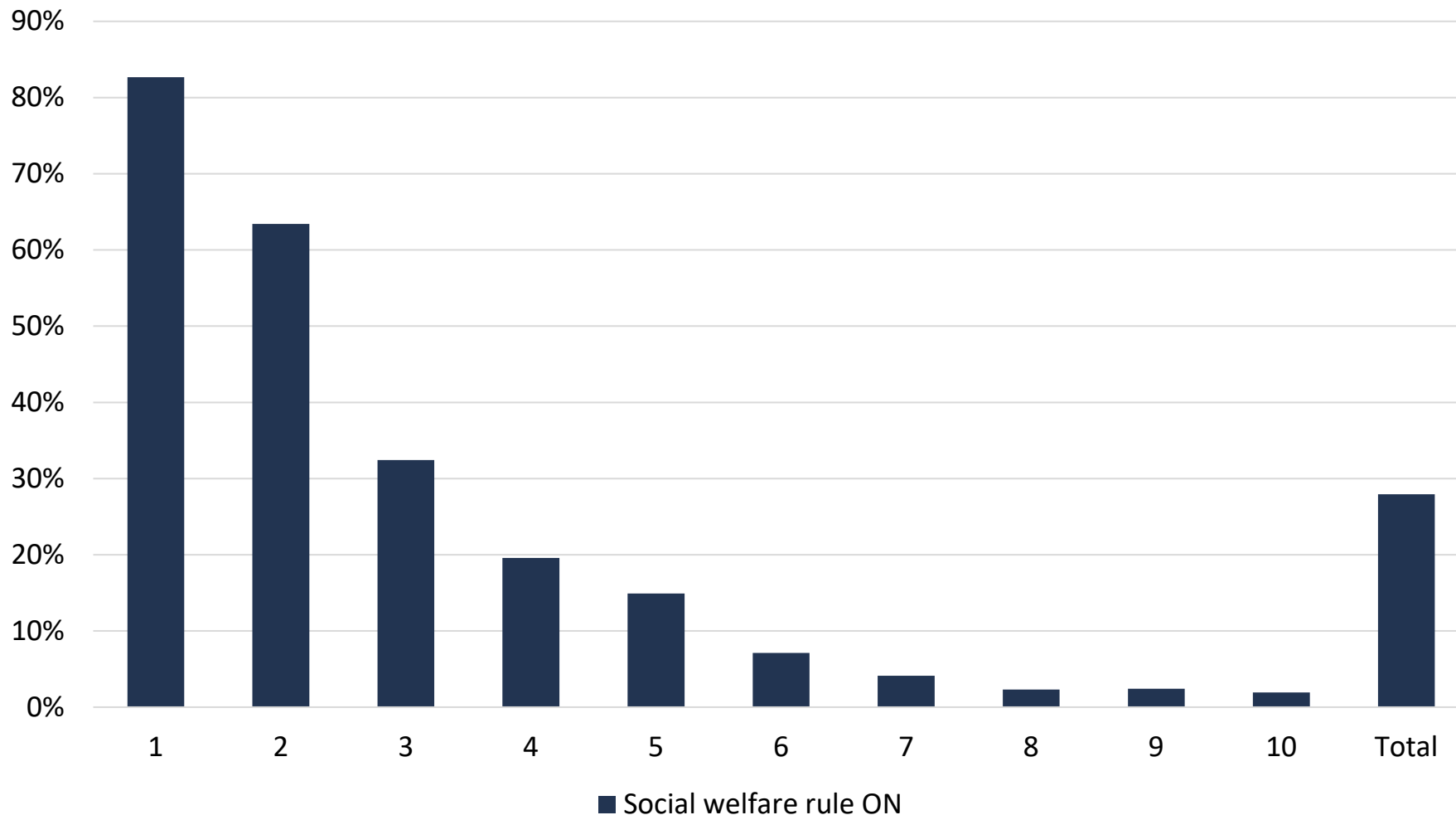
Medical Cards recipients by income decile



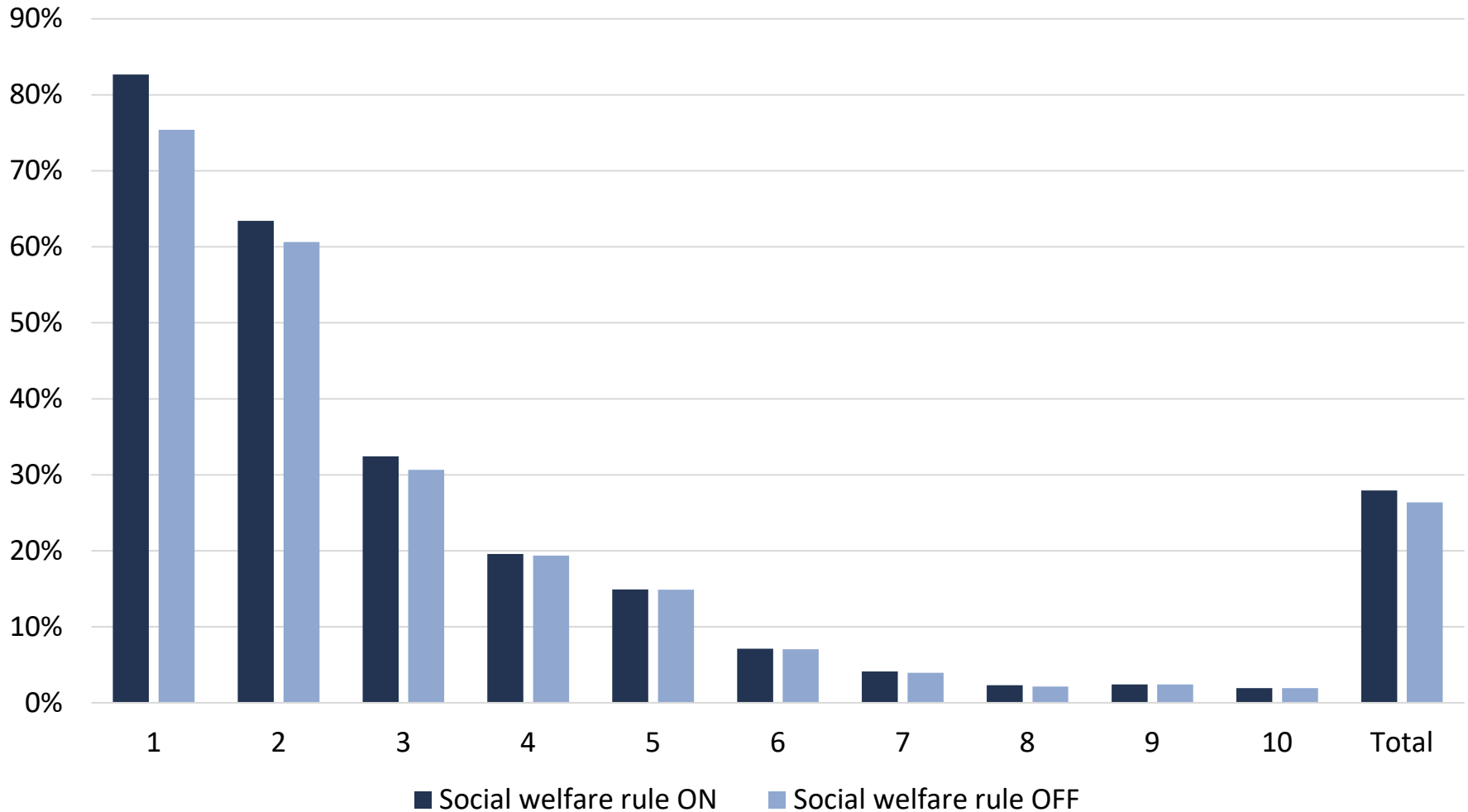
100% Social Welfare Income Rule

- SWITCH models those whose income is above the income limit but who only receive income from social welfare sources as eligible for a Medical Card.
- By disabling this we can see the effect of the Social Welfare rule.
- We estimate that 81,000 individuals receive a card based on this rule.
- Mainly recipients of Jobseeker's Allowance, Disability Allowance and State Pension (Contributory).

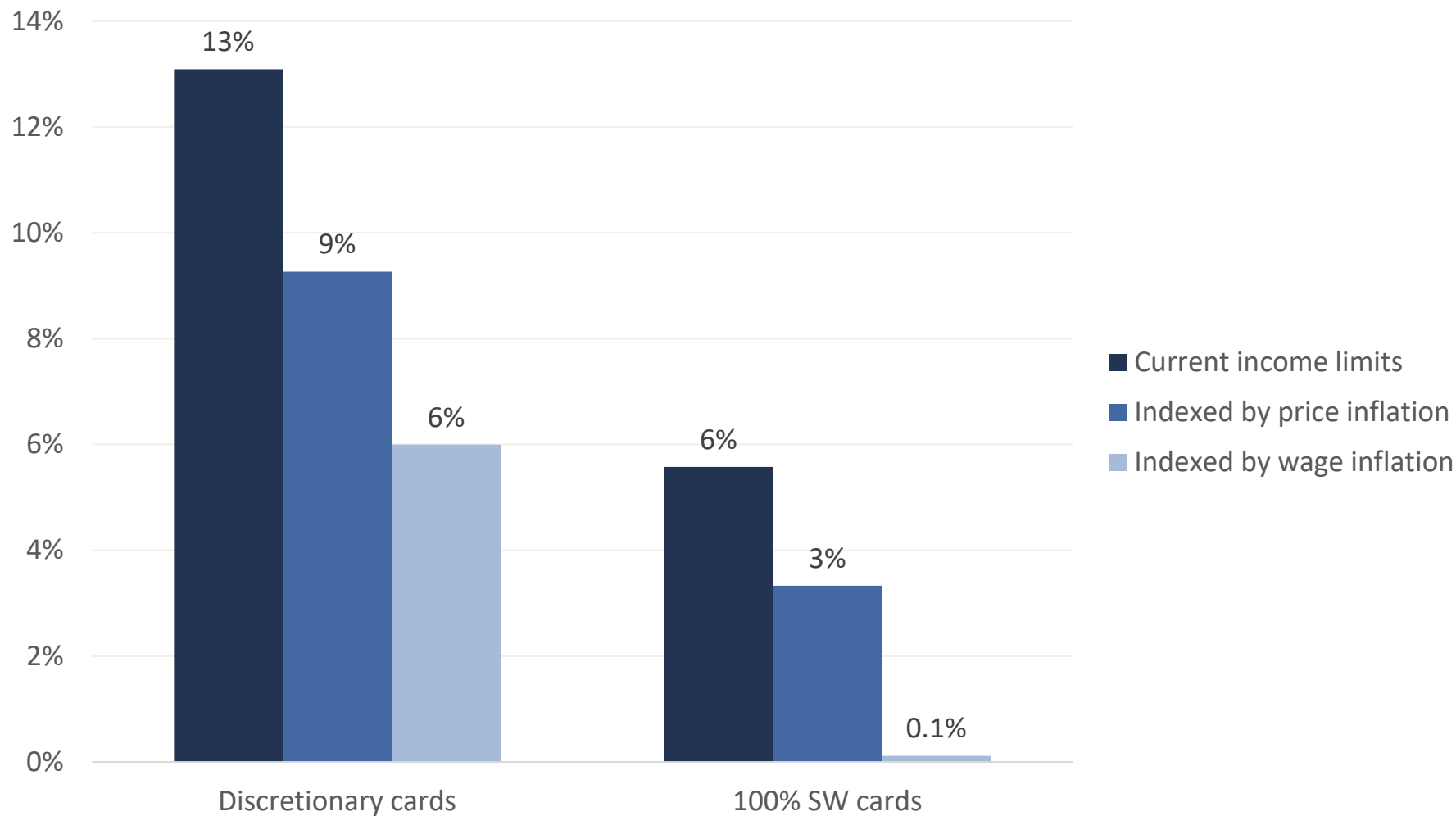
Medical Card Coverage by Income Decile (with/without the 100% social welfare rule)



Medical Card Coverage by Income Decile (with/without the 100% social welfare rule)



Discretionary and 100% Social Welfare Cards as Proportion of Total



Conclusion

- In recent years the expansion of the GP Visit card scheme and other measures (e.g. reduction in the Drugs Payment Scheme cap; removal of co-payments in public hospitals) has tried to decrease the cost of healthcare.
- Medical Cards remain the key mechanism to reduce the financial burden on people, especially those on lower incomes.
- Medical Cards remain vital for many people to access key community-based services including newly established enhanced community care programmes.
- Medical Card coverage has been in continuous decline since recovery from the Great Recession.

Conclusion

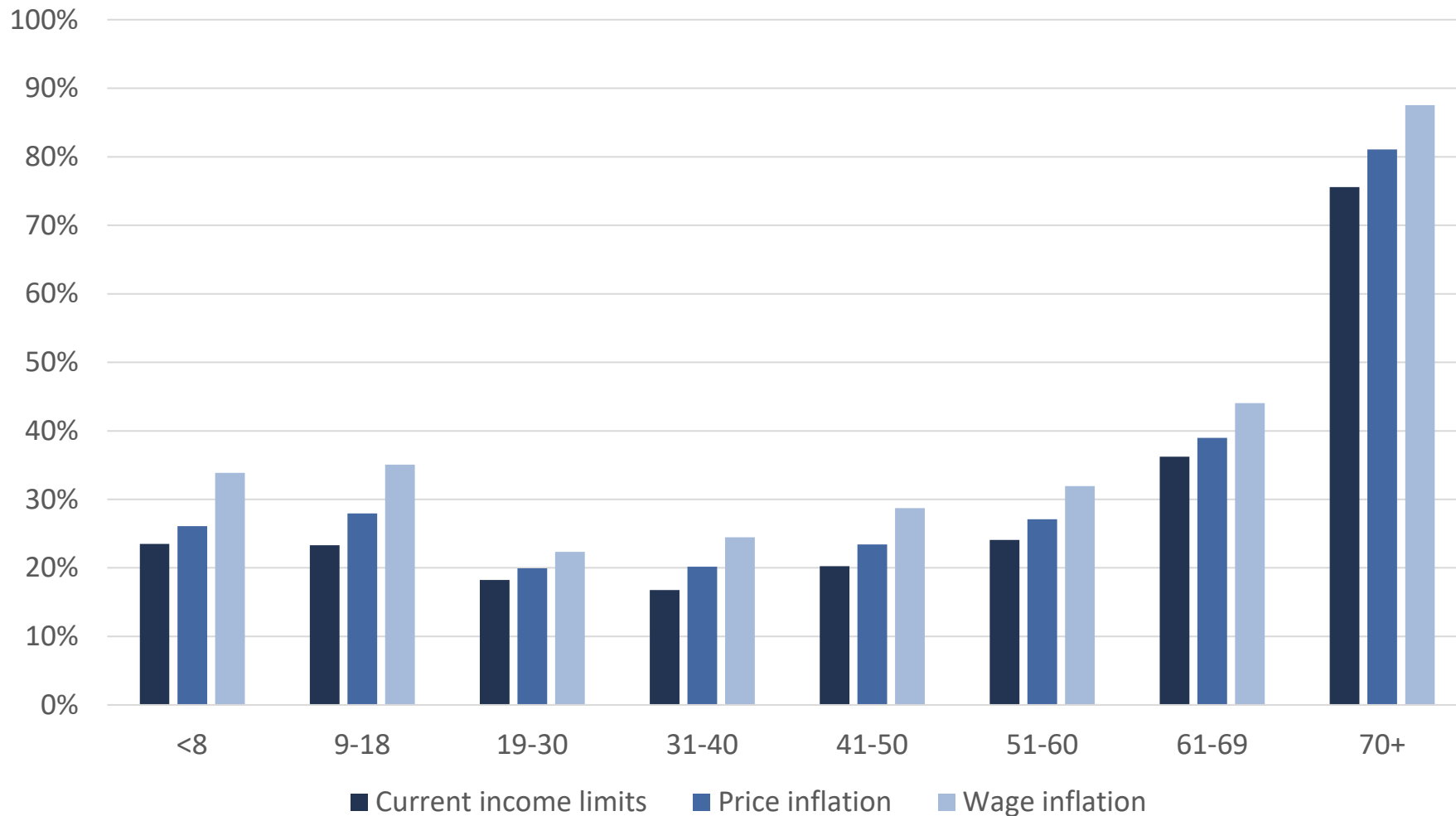
- Card coverage has declined amongst the economically active but remained constant or increased amongst the inactive.
- We estimate that an additional 172k(+12%) or 447k(+30%) would hold a card if limits increased in line with price/wage growth. Cost would be €155-€400m.
- This cost may be less than anticipated due to discretionary/100% social welfare cards and the GPV card system.
- Increasing the limits in line with wage growth would halve the numbers holding a discretionary card and virtually eliminate the need for the 100% social welfare rule.

Questions?



Additional Slides

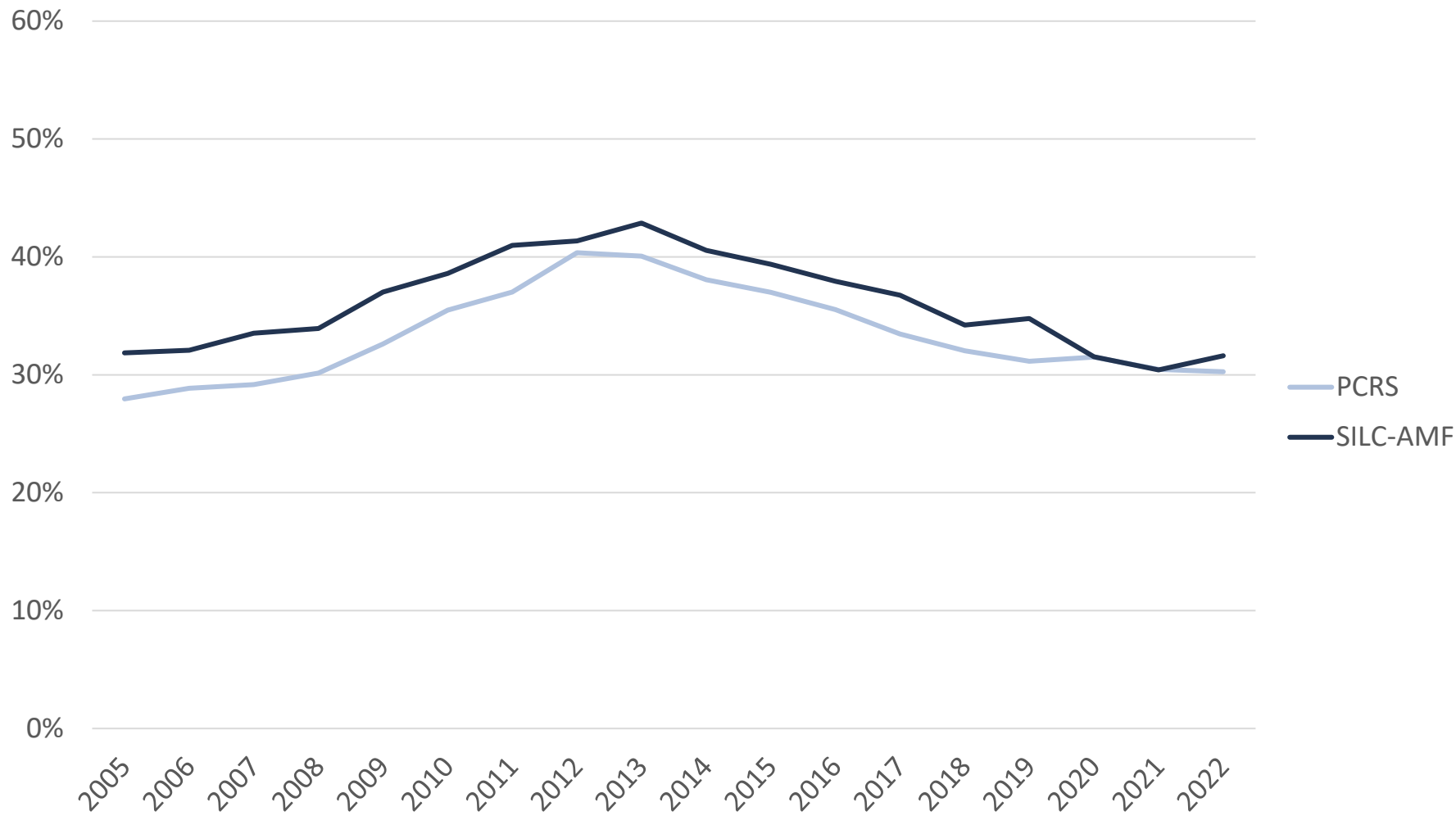
Medical Cards recipients by age



	SWITCH modelling	Reported in SILC RMF (2022)	Reported by PCRS (2022)	% difference of modelled vs. reported in SILC	% difference of modelled vs. reported by PCRS
No. of Medical Card holders	1,448,764	1,543,312	1,568,379	-6.13%	-8.26%

Source: Authors' analyses of SWITCH, 2022 SILC AMF and PCRS administrative statistics.

Medical Cards recipients as % of total population 2005-2022: PCRS and SILC



MC/GPV cost

Age	Medical Card	GP Visit Card	
0-4 yrs	€437	€238	
05-15 yrs	€314	€175	
16-44 yrs	€832	€205	
45-64 yrs	€1,521	€314	
65-69 yrs	€1,973	€380	
Over 70	€2,539	€750	
Average	€1,269	€344	€926