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Take care to reform

The 'Money Follows the Patient' policy: What are the implications for midwifery and nursing?

THE *'Money Follows the Patient: A Policy Paper on Hospital Financing'*[1] was launched this year as part of the government's structural reform of the health services. These reforms are based on the principles of fairness, efficiency, transparency, equity of access and value for money for the taxpayer. The policy is outlined in '*Future Health: A Strategic Framework for Reform of the Health Service 2012-2015*' and commits the government to service, structural and financial reform.[2]

Background

The Health Act 1970 provides for the provision of public healthcare to people who normally reside in the State.[3] An estimated 46% of people in Ireland also have private health insurance, though this is reducing in the recession. Funding of public health services has come via the public exchequer, through taxation. With decreasing income from taxation, this funding needed to be overhauled.

Policy recommendations

1. Defining the service to be delivered

The policy recommends that all hospital-based care (excluding emergency care, outreach services, teaching and research) will be covered by the policy. But, the cost should be based on how complex the care is and not where the care is delivered.

2. Designing the price of services

The pricing structure includes: pay costs; non-pay costs; diagnostics costs; overheads; and costs of the clinical indemnity scheme. Price should be based on 'best practice pathways', but this may not be possible at the start, so 'average costs' will be used, based on diagnosis related groups (DRG), as per the Hospital Inpatient Enquiry (HIPE) system.

3. Governance structures

Governance structures are key to the success of the policy. Independent price-setting and purchasing bodies should be established. The new National Information and Pricing Office (NIPO) will be responsible for setting national DRG prices based on activity and cost data. NIPO will have key stakeholder and clinician involvement.

The Healthcare Commissioning Agency (HCA), formed from the HSE, will commission and pay for target-driven services within the health budget. These targets will be underpinned by timely and quality service provision. All processes will be evaluated by audit, and penalties or rewards offered for the delivery of efficient, quality patient care.[1]

4. Implementation

The introduction of a shadow system in 2013 with a full roll out of the policy by 2014 is recommended. A document outlining the formation of the new hospital groups was launched in May this year.[4]

5. Next steps in the reforms

Systems need to be put in place to achieve the 'price formulation' and 'claims management' recommendations. This includes coding, grouping and pricing DRGs, and introducing hospital and national claims management and auditing systems. The Department of Health realises that not all hospitals have the necessary information and communications technologies (ICT) to roll out the system.

Policy evaluation

The policy is commendable given the fiscal constraints in Ireland's hospitals – even the most efficient are motivated to produce cost savings.[5] But, attempts to save money without adequate regulation and monitoring could result in poor-quality care.[6] This has been the experience from target-driven UK trusts.[7]

It is inadvisable to rely only on a cost-saving system; governance structures must be in place to prevent adverse patient outcomes. Bankruptcy is another peril for new hospital trusts.[6] In July 2013, the administrators of the stricken NHS Mid Staffordshire Trust advised that it would be dissolved because it was not clinically or financially sustainable.[8] The UK experience teaches valuable lessons.[9]

Another key aspect to be addressed by the policy is adequate clinician involvement, training, and buy-in from the beginning.[10] Some staff (especially doctors, nurses and midwives) failed to realise the potential for clinical service improvements with the system and saw DRGs solely as an administrative burden.[11] The most successful clinicians were those who embraced the change and innovation of the new system.

Middle and higher healthcare management must realise that there are more than just economic considerations when considering the introduction of another radical overhaul of the health services.

Nurses and midwives play a key role in successfully implementing the 'Money Follows the Patient' policy, especially if the government plans on sanctioning hospitals with increased readmission or healthcare-acquired infection rates.[12]

Nurses and midwives are advised to move towards a more 'real-time' collection of patient acuity data to best utilise valuable staff resources, rather than relying on retrospective data collection.[12] This requires their input from the start and an arrangement for the integration of nursing and midwifery care within the hospital billing system.

In the future, nurses and midwives may be called on to justify clinical nursing and midwifery costs to health trust boards in order to receive funding.[12]

The policy has an admirable philosophy: To deliver safe, effective care in the most cost effective way. To implement such radical reforms requires buy-in from all stakeholders – clinicians and the public. Greater emphasis must be put on changes the management structures and processes necessary to achieve these aims.

The Department of Health may need to rethink the timeframe for implementation and engage with stakeholders in earnest.

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References available on request from nursing@medmedia.ie (Quote: Midwifery Matters; WIN 2013; 21(7): 40)