

## **Mapping the Impact of Recession**

*Professor Charles Normand, Edward Kennedy Chair in Health Policy and Management, TCD* considered the likely impact of the recession on health and the health system in Ireland. Drawing on the analysis undertaken for the WHO Conference in Tallinn on *Health systems, health and wealth* Professor Normand assessed the effects of falling incomes on health, the potential role of better health as a factor in improving economic performance and the ways in which changing economic circumstances will affect use of health services at all levels.

The relation between health and wealth runs in both directions in that reduction in wealth affects the health of certain groups while the strongest driver of improved health is nearly always economic prosperity.

In discussing the effect of falling incomes Professor Normand gave examples that amongst men in Lanarkshire the poorest live 13.5 years less than the richest and at any age the risk of dying doubles for people who are made redundant.

Professor Normand also looked at the potential role of improved health on our economic recovery in that when health improves, rates of absenteeism and industrial accidents are reduced. Also improved life expectancy can increase productive capacity and capacity for informal care particularly as life expectancy amongst men increases.

In terms of the use of health services there have not been overall dramatic drops in the use of services, except for people on low income. Fall in income may be expected to impact on demand for private health insurance though. By charging the full cost of private care in public hospitals premiums are likely to increase while at the same time insurance companies will probably negotiate cheaper fees from clinicians. It is important to put private health insurance in perspective. Quinn health care represents just 2% of the overall health care spend in Ireland while HSE budget cuts represent at least 8% of overall expenditure.

In summary, Professor Normand talked of the recession as an opportunity to make improvements in the organisation and delivery of health care in Ireland. One argument is that the whole public hospital stock should be rebuilt, as none operate in a well-configured setting. Another area for improvement is to change incoherent patterns of entitlement - currently some poorer income groups receive subsidised drugs but not GP visits and others receive subsidised GP visits but pay in full for pharmaceuticals. Professor Normand believes that some bad decisions will be made but they shouldn't be as bad as the 1980s.