



An Phríomh-Oifig Staidrimh
Central Statistics Office

**Mapping of the Structure of Health Care Financing in Ireland
to the Health Care Financing Schemes Classification (ICHA – HF)
within the System of Health Accounts**

December 2015

The Financing Scheme Classification (ICHA-HF) within the SHA is a list of mutually exclusive categories of financing schemes which fund health care.

Health care financing schemes are structural components of health care financing systems: they are the main types of financing arrangements through which people obtain health services. Health care financing schemes include direct payments by households for services and goods and third-party financing arrangements. Third party financing schemes are distinct bodies of rules that govern the mode of participation in the scheme, the basis for entitlement to health services and the rules on raising and then pooling the revenues of the given scheme.

SHA Code	SHA Category Name	SHA 2011 Description	Irish Financing Schemes
HF.1.1	Government Schemes	<p>The characteristics of government health care financing schemes are determined by law or by the government. A separate budget is set for the programme, and a government unit has an overall responsibility for it. Usually, but not necessarily, government schemes are operated by government unit(s). The government schemes may also be managed by NPISH (Non-Profit Institution Serving Households) or by an enterprise.</p> <p>Government (health care financing) schemes have the following characteristics:</p> <ul style="list-style-type: none"> ● Mode of participation: automatic for all citizens/residents, or for a specific group of the population (<i>e.g.</i> the poor) defined by law/government regulation; ● Benefit entitlement: non-contributory, typically universal or available for a specific population group or disease category defined by law (<i>e.g.</i> TB, HIV, oncology); ● Basic method for fund-raising: compulsory; domestic revenues of government (primarily taxes). Foreign revenues may also play an important role in some lower-income countries. ● Mechanism and extent of pooling funds: national, sub-national, or programme level. 	<p>Government funded health care services. The non-capital public health budget is allocated via the Health Services Executive to hospital, primary, and community health services (including mental health, disability services etc.). It includes expenditure under the Primary Care Reimbursement Service and the National Treatment Purchase Fund</p> <p>Mode of Participation: entitlement based on residency, universal for some services and limited for other depending on income and other eligibility criteria</p> <p>Benefit entitlement : There are two broad categories of entitlement. Individuals in Category I are eligible for a medical card which entitles them to free public healthcare including: GP, maintenance and treatment in public wards of hospitals, specialist out-patient services at public clinics, dental, ophthalmic, aural, maternity services and a range of community care and personal social services. There is a charge of €2.50 per item up to a maximum of €25 per month on prescribed medicines. Medical cards are issued primarily on the basis of income and cover the individuals and their dependents. Individuals may be granted a medical card based on their health status/need on a discretionary basis. Approximately 40% of the population have a medical card.</p> <p>Individuals in Category II are eligible for maintenance and treatment in public wards of hospitals subject to nominal charges (€75 per night up to a maximum of €750 in any one year). There is a charge of €100 for attendance at the outpatient and emergency departments (without a GP referral note). This group is also entitled to reimbursements of drug payments above €144 per month under the Drug Payment Scheme. Free GP maternity and infant care services and drugs for specified long-term illnesses are also available to Category II individuals. The majority in this group pay all charges related to GP services though some qualify for a GP visit medical card which entitles the bearer to free GP services but does not cover the cost of prescription medicines. <i>See table 1 below for details of entitlements.</i></p> <p>Basic Method for Fund Raising: taxes</p> <p>Pooling: national and programme level.</p> <p>Data Sources include HSE financial data, including the Primary Care Reimbursement Service and Casemix data, other Government Departments' data and published accounts for various public and voluntary bodies.</p>

SHA Code	SHA Category Name	SHA 2011 Description	Irish Financing Schemes
HF.1.2.1	Social health insurance	<p>Social health insurance is a financing arrangement that ensures access to health care based on a payment of a non-risk-related contribution by or on behalf of the eligible person. The social health insurance scheme is established by a specific public law, defining, among others, the eligibility, benefit package and rules for the contribution payment.</p> <p>Social health insurance schemes have the following characteristics:</p> <ul style="list-style-type: none"> ● <i>Mode of participation</i>: mandatory, either for all citizens/residents or for a specific population group defined by law/government regulations (e.g. formal sector employees); ● <i>Benefit entitlement</i>: contributory, based on non-risk-related payments made by or on behalf of the insured person. Family members may or may not be covered on the basis of the contributor's payment. The government may make contributions on behalf of certain defined categories of the population (e.g. pensioners). ● <i>Basic method for fund-raising</i>: compulsory non-risk-related health insurance contributions. <p>Insurance contributions may be paid by the government (from the state budget) on behalf of some non-contributing groups of the population, and the government may also provide general subsidies to the scheme.</p> <ul style="list-style-type: none"> ● <i>Mechanism and extent of pooling funds</i>: national, sub-national, or by scheme. With multiple funds, the extent of pooling will depend on risk-equalisation mechanisms across schemes. By using such mechanisms, it is possible to create pooling across schemes. 	<p>The Treatment Benefit Scheme is a scheme run by the Department of Social Protection (DSP) that provides certain dental, optical and aural services to qualified people from the Social Insurance Fund. See www.citizensinformation.ie/en/social_welfare/social_welfare_payments/disability_and_illness/treatment_benefit_scheme.html</p> <ul style="list-style-type: none"> ● <i>Mode of participation</i>: qualified insured workers and retired people who have the required number of Pay Related Social Insurance contributions to the Social Insurance Fund. ● <i>Benefit entitlement</i>: contributory – specified number of contributions. ● <i>Basic method for fund-raising</i>: compulsory non-risk-related contributions. ● <i>Mechanism and extent of pooling funds</i>: By scheme - only those contributing can benefit. <p>Data was sourced from the Department of Social Protection.</p>

SHA Code	SHA Category Name	SHA 2011 Description	Irish Financing Schemes
HF.2.1	Voluntary health insurance schemes	<p>Voluntary health insurance schemes have the following characteristics:</p> <ul style="list-style-type: none"> ● Mode of participation: voluntary, at the discretion of an individual or a firm; ● Benefit entitlement: contributory: based upon the purchase of the voluntary health insurance policy (usually on the basis of a contract); ● Basic method for fund-raising: usually non-income-related premiums (often directly or indirectly risk-related); may be directly or indirectly subsidised by the government (e.g. through tax credits); ● Mechanism and extent of pooling funds: individual scheme level. 	<p>There are four main providers of voluntary health insurance in Ireland. Risk is community rated.</p> <ul style="list-style-type: none"> ● Mode of participation: voluntary, at the discretion of an individual; ● Benefit entitlement: contributory: based upon the purchase of the voluntary health insurance policy, on the basis of a contract; ● Basic method for fund-raising: Premiums indirectly subsidised by the government through tax credits; ● Mechanism and extent of pooling funds: individual scheme level. <p>There are also 7 restricted membership schemes based on employment. The three biggest are the Garda Síochána, Prison Officers and ESB.</p> <ul style="list-style-type: none"> ● Mode of participation: voluntary, at the discretion of an individual; ● Benefit entitlement: contributory and employment based: based upon the purchase of the voluntary health insurance policy, on the basis of a contract; ● Basic method for fund-raising: Premiums indirectly subsidised by the government through tax credits; ● Mechanism and extent of pooling funds: individual scheme level. <p>Data was sourced from a survey of private health insurers which surveyed the four large private health insurers operating in Ireland. See http://www.cso.ie/en/surveysandmethodology/nationalaccounts/expenditureandestimatesofprivatehealthinsurers/</p> <p>Data for the 7 restricted membership schemes (less than 5% of the total expenditure funded by private health insurance) was estimated based on the profile of the four large private health insurers.</p>

Code	SHA Category Name	SHA 2011 Description	Irish Financing Schemes
HF.2.2	Non-Profit Institution Financing Schemes	<p>NPISH financing arrangements or financing programmes consist of a “quasi-set” of rules that define the mode of participation, entitlement and methods of fund-raising, and hence they can be treated as categories of financing schemes.</p> <p>NPISH financing schemes have the following characteristics:</p> <ul style="list-style-type: none"> ● Mode of participation: voluntary; ● Benefit entitlement: non-contributory, discretionary; ● Basic method for fund-raising: donations from the general public, governments (budget of national government or foreign aid) or corporations; ● Mechanism and extent of pooling funds: varies across programmes but typically programme-level. 	<p>In Ireland, many entities providing health care receive voluntary donations and contributions.</p> <ul style="list-style-type: none"> ● Mode of participation: voluntary; ● Benefit entitlement: non-contributory, discretionary; ● Basic method for fund-raising: donations from the general public or corporations; ● Mechanism and extent of pooling funds: programme-level, entity level. <p>This funding source is under represented in the data presented in the December 2015 publication. This is a funding source for which it is difficult to obtain data and is an area for on-going development.</p> <p>Data sources include the published accounts of non-profit organisations.</p>

Code	SHA Category Name	SHA 2011 Description	Irish Financing Schemes
HF.2.3	Enterprise Financing Schemes	<p>Enterprise financing schemes primarily includes arrangements where enterprises directly provide or finance health services for their employees (such as occupational health services), without the involvement of an insurance-type scheme. Therefore, this excludes employer-based insurance schemes.</p> <p>Enterprise financing schemes have the following characteristics:</p> <ul style="list-style-type: none"> ● Mode of participation: voluntary choice of particular enterprise/corporation, with coverage based on employment at the firm (e.g. compulsory occupational health care); ● Benefit entitlement: non-contributory, discretionary with regard to the type of services, though may sometimes be specified by law; ● Basic method for fund-raising: voluntary choice of the firm to use its revenues for this purpose; ● Mechanism and extent of pooling funds: at an individual enterprise level. 	<p>Included in this category are employers providing health care and/or occupational health care to their employees. Also included are income sources of health care providers not directly related to their health care activities (e.g. car-park and shop receipts).</p> <p>Data sources included HSE financial data and published accounts.</p> <p>An estimate of health care expenditure provided by non-health care providers was undertaken using Census of Population data (health care workers employed in non-health care industries) and average wages of health care workers (CSO National Accounts data). Data from the Annual Services Inquiry was also used to estimate expenditure on over-the-counter medicines and other medical goods in non-pharmacies (e.g. supermarkets).</p>
HF.3	Out of Pocket Expenditure	<p>Households' out-of-pocket expenditure by definition is regarded as a financing scheme. Its distinguishing characteristic is that it is a direct payment for services from the household primary income or savings (no third-party payer is involved): the payment is made by the user at the time of the use of services. Included are cost-sharing and informal payments (both in cash and kind).</p> <p>Out-of-pocket payments (OOP) show the direct burden of medical costs that households bear at the time of service use. OOP play an important role in every health care system.</p> <p>OOP expenditure (schemes) is characterised by:</p> <ul style="list-style-type: none"> ● Mode of participation: voluntary, based on the willingness and ability to pay of the individual or household, though the government or voluntary insurance scheme may specify the amount of payment that is required; ● Benefit entitlement: contributory - the service is provided if the individual pays; ● Basic method for fund-raising: voluntary, based on the decision of the household to use the services, and therefore to pay for them. The government may indirectly subsidise some OOP expenditures through tax deductions or credits; ● Mechanism and extent of pooling funds: no inter-personal pooling. 	<p>Households in Ireland do make out of pocket payments for health care. For those not entitled to a medical card these payments would predominantly be related to GP Services, pharmaceutical services, dental services and long-term care.</p> <p>There are three types of cost-sharing:</p> <ol style="list-style-type: none"> (1) Reimbursement/Excess payments from voluntary health insurance (2) Tax refunds on out-of-pocket payments for health care goods and services. (3) Maximum payments for certain services <ul style="list-style-type: none"> Public Hospital B&B – Maximum of €750 per year Pharmaceutical - maximum payment of €144 per month Public Long-term Care – maximum payment of €175 per week. <p>Data sources included HSE financial data, tax files, Revenue Commissioners data on refunds for medical expenditure, Household Budget Survey, published accounts, price by quantity methods and residual methods.</p>

Code	SHA Category Name	SHA 2011 Description	Irish Financing Schemes
HF.4	Rest of the World Financing Schemes	<p><i>Rest of the world financing schemes</i> comprises financial arrangements involving institutional units (or managed by institutional units) that are resident abroad, but who collect, pool resources and purchase health care goods and services on behalf of residents, without transiting their funds through a resident scheme.</p> <p>Rest of the world financing arrangements are defined according to the following characteristics:</p> <ul style="list-style-type: none"> ● Mode of participation: 1) mandatory, <i>e.g.</i> based on the conditions of employment (such as foreign insurance), or 2) voluntary; ● Basis for entitlement: 1) a contract between an insurance carrier and the individual, or 2) discretion of a private entity (charity foundation, employer, foreign entity); ● Method for fund raising: funds are collected and pooled abroad; ● Coverage: foreign entities usually have the freedom to design the benefits. 	Such schemes do not operate in Ireland.

Table 1: Public Health entitlement in Ireland (2014)

	GP	Prescribed Drugs/ Medicines/ Durable Medical Goods	Public Hospital Care		Long-Stay or Extended Care Treatment (in-patient >30 days)	Community Care and Personal Social Services	Other
			Acute Hospital In-Patient / Day Cases	Acute Hospital Out-Patient (including Emergency Dept			
Category I	Free	Prescription charge of €2.50 per item up to €25 per month per person/family	Free Public Care	Free Public Care	Maximum charge of €175 per week	Free	Various entitlements to dental, ophthalmic, aural care and other benefits.
Category II – GP Visit Card	Free	Reimbursement above €144 per month	€75 per night (annual maximum €750)	Free with GP referral note	Maximum charge of €175 per week	Charges and entitlement varies – depending on services and availability in local area	
	Free GP Maternity and Infant Care Services	Free for Long Term Illness (e.g. Diabetes)		€100 without referral			
Category II	Private GP charge	Reimbursement above €144 per month	€75 per night (annual maximum €750)	Free with GP referral note	Maximum charge of €175 per week	Charges and entitlement varies – depending on services and availability in local area	
	Free GP Maternity and Infant Care Services	Free for Long Term Illness (e.g. Diabetes)		€100 without referral			

Source: http://www.citizensinformation.ie/en/health/entitlement_to_health_services/ and Normand, C., 20XX?, “Social Health Insurance: Options for Ireland”, Adelaide Hospital Society

Classification of health care financing schemes

Code		Description
HF.1		Government schemes and compulsory contributory health care financing schemes
	HF.1.1	Government Schemes
	HF.1.1.1	Central government schemes
	HF.1.1.2	State/regional/local government schemes
	HF.1.2	Compulsory contributory health insurance schemes
	HF.1.2.1	Social health insurance schemes
	HF.1.2.2	Compulsory private insurance schemes
	HF.1.3	Compulsory Medical Saving Accounts (CMSA)
HF.2		Voluntary health care payment schemes
	HF.2.1	Voluntary health insurance schemes
	HF.2.1.1	Primary/substitutory health insurance schemes
	HF.2.1.1.1	Employer-based insurance (other than enterprises schemes)
	HF.2.1.1.2	Government-based voluntary insurance
	HF.2.1.1.3	Other primary coverage schemes
	HF.2.1.2	Complementary/supplementary insurance schemes
	HF.2.1.2.1	Community-based insurance
	HF.2.1.2.2	Other complementary/supplementary insurance
	HF.2.2	NPISH financing schemes
	HF.2.2.1	NPISH financing schemes (excluding HF.2.2.2)
	HF.2.2.2	Resident foreign government development agencies schemes
	HF.2.3	Enterprise financing schemes
	HF.2.3.1	Enterprises (except health care providers) financing schemes
	HF.2.3.2	Health care providers financing schemes
HF.3		Household out-of-pocket payment
	HF.3.1	Out-of-pocket excluding cost-sharing
	HF.3.2	Cost sharing with third-party payers
	HF.3.2.1	Cost sharing with government schemes and compulsory contributory health insurance schemes
	HF.3.2.2	Cost sharing with voluntary insurance schemes
HF.4		Rest of world financing schemes (non-resident)
	HF.4.1	Compulsory schemes (non-resident)
	HF.4.1.1	Compulsory health insurance schemes (non-resident)
	HF.4.1.2	Other compulsory schemes (non-resident)
	HF.4.2	Voluntary schemes (non-resident)

		HF.4.2.1	Voluntary health insurance schemes (non-resident)
		HF.4.2.2	Other schemes (non-resident)
		HF.4.2.2.1	Philanthropy/international NGOs schemes
		HF.4.2.2.2	Foreign development agencies schemes
		HF.4.2.2.3	Schemes of enclaves (<i>e.g.</i> international organisations or embassies)
Memorandum items			
Financing agents managing the financing schemes			
HF.RI.1.1		Government	
HF.RI.1.2		Corporation	
HF.RI.1.3		Households	
HF.RI.1.4		NPISH	
HF.RI.1.5		Rest of the world	
Financing schemes and the related cost-sharing together			
HF.RI.2		Government schemes and compulsory contributory health insurance schemes together with cost-sharing (HF.1 + HF.3.2.1)	
HF.RI.3		Voluntary health insurance schemes together with cost-sharing (HF.2+HF.3.2.2)	
Source: IHAT for SHA 2011			

The System of Health Accounts (2011) manual is available at

<http://www.who.int/health-accounts/methodology/sha2011.pdf>