

Understanding Ireland's Radical Outsourcing and Restructuring of the Nation's Clinical Lab Testing

Tom Moloney
New Orleans
27/04/2010



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Presentation Summary

- Introduction-International Challenges
- Restructuring Irish Lab Service
- Irish Health System
- Two Case Studies
 - Cervical Cytology Screening
 - Restructuring Irish public hosp labs
- Summing Up



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Introduction 1

Similar challenges face all health systems

These include :

- An aging population-silver tsunami
- Inadequate resources
- Avalanche of expensive new technology
- More demanding patients
- Fear of litigation
- High profile incidents injuring patients



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Introduction 2

- Each country has chosen solutions from a menu of options.
- This has generated a series of real life experiments that merit international scrutiny.
- The Dark Report has reported on several case histories in New Zealand, Australia, Canada, UK and Ireland.
- We will look at Ireland's solutions.



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Restructuring Ireland's Lab Service

- Introducing Competition
- Developing the Private Sector
- Centralisation and Consolidation
- Outsourcing



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Two Case Histories

- Cervical Cytology Screening-Outsource

- Restructuring Irish public hospital labs



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Ireland – The Background

- Island on NE edge of Europe
- Republic of Irl =26/32 counties
- Area 32 000 sq miles
- Population 4.2 million (2006)



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Ireland

- Rep of Irl =26/32 counties
- Area 32 000 sq miles
- Population 4.2 million (2006)



ACADEMY OF MEDICAL
LABORATORY SCIENCE



Ireland – The Health System 1

- Overall responsibility = Dept of Health and Children
- Services delivered through Health Service Executive (HSE)
- Budget \$19.4 billion (2007)-25% govt spend
- 110 000 staff-Largest employer in the country



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Ireland – The Health System 2

- System funded 78% from tax
- 30% population entitled to free care
- Remainder have subsidized care
- 51% have voluntary health insurance
- 6.5% GDP spent on public healthcare (US 16%)
- Private for profit hospitals few



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Recent Trends

- Govt promoting expanded private sector
- Government promoting competition
- Moving care out of hospitals to community
- Policy to reduce number of acute hospitals
- Breast cancer surgery now in 8 centres, previously 31
- Consolidating labs into fewer but larger units



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Cervical Cytology in Ireland 1

- Invasive cervical cancer rate one of highest in Europe
- 1996: Dept of Health Committee recommended introduction of National Screening Programme
- 2000: Pilot programme set up Mid West region
- 2004 McGoogan Report published



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Cervical Cytology in Ireland 2

- 14 labs reporting smears in 2001
- Only 3 had workload over 25 000 smears pa
- Most involved in EQA
- None accredited
- Labs poorly equipped, staffed and resourced
- Long TAT



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Cervical Cytology in Ireland 3

McGoogan Report Recommendations:

- Set up National Programme asap
- Reduce number of labs to 4
- All labs to apply for accreditation by 1/06
- All labs to move to LBC
- Introduce Advanced Practitioner Grade



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Cervical Cytology in Ireland 4

- Slow progress on implementing proposals
- 2006 HSE engaged Quest to reduce critical backlog
- 2008 National free screening service set up
- Tenders invited
- Quest won entire contract to screen 300 000 smears pa in US
- TAT= 10 days



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Cervical Cytology in Ireland 5

- Irish labs closed
- 2009: Quest and Sonic set up Irish companies
- 2010: New tender and contract
- Quest and Sonic to share contract
- Sonic will initially screen in US
- Plan to set up Irish lab asap



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Cervical Cytology in Ireland 6

Issues:

- TAT on slides achieved but new delay of months introduced at smear taking.
- Training issues for pathologists and scientists
- Irish public labs closed-no bid for tender
- Increased number of colposcopies
- Reliance on air freight-Iceland volcano



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Restructuring Irish Public Labs

- HSE commissioned Teamwork Management Services (UK) to examine existing arrangements
- 2006: Report completed (10/06)
- 2007: Report adopted by HSE (5/07)
- 2009: Report officially published (2/09)



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Teamwork Conclusions 1

- 46 public hospital labs perform 58 million tests pa
- Cost \$443 million
- Staff 3000 wte
- Establish 3 new regional highly automated labs for the “cold tests” from GPs
?private



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Teamwork Conclusions 2

- Develop large” hot labs” in acute hospitals (8-14)
- Provide local phlebotomy centres
- Expand use of POCT



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Impact of Implementation

- Increase marginal cost of testing in hosps
- Decrease cost of cold lab testing
- Staff reductions in public sector labs
- Separate testing from interpretation
- Separate primary care from tertiary
- Funding source for New Labs, Phlebotomy and POCT not clear



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Current Developments 1

- 2 implementation committees
- Stakeholders involved
- National option appraisal
- Private sector involvement predicated on readily available capital at low interest



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Current Developments 2

- GDP fell 20% in two years
- Govt capital budget slashed
- Govt reduced public sector pay 15%
- Govt proposes reducing health staff 5%
- Unemployment +emigration rising
- Govt deeply unpopular



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Summing Up-1

- Implementation of outsourcing and restructuring in Ireland is useful case history
- Outsourcing dependant on secure supply chain
 - distance
 - transport
 - fuel costs
 - politics



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Summing Up-2

- Change inevitable
- Managing change critical of Auckland
- Cytology outsourcing already modified
- Restructuring will happen
- ? How—Public/Private/Partnership
- Competition here to stay



ACADEMY OF MEDICAL
LABORATORY SCIENCE

Summing Up -3

- Fewer but larger labs
- Fewer staff-new skill mix
- Longer opening hours
- Automation + Core Labs
- Doing more with less



ACADEMY OF MEDICAL
LABORATORY SCIENCE

END

- Thank you for your attention
- I am happy to take questions/comments
- Feel free to contact me at
- tmoloney@amls.ie



ACADEMY OF MEDICAL
LABORATORY SCIENCE