



Ministers agree on radical plan for health service

New professional agencies to have day-to-day control

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The Ministers for Health and Finance have agreed a radical plan to shift day-to-day control of health away from the Government and local politicians to new professionalised agencies.

In a joint memorandum, now finalised, Mr Martin and Mr McCreevy will ask the Cabinet on Tuesday to sanction the biggest reorganisation of the health service since 1970.

Their agreement to push ahead with a joint proposal follows months of friction between the two Ministers over the direction of the health service.

If sanctioned by the Cabinet on Tuesday, it will be published on Wednesday.

The plan will see day-to-day control of the health service move to the new National Health Services Executive.

Health boards will be abolished, and replaced by a smaller number of regional health agencies. These will have executive responsibility for the management of the service locally, but they will not be controlled by local politicians.

Responsibility for all acute hospitals will shift to a new National Hospitals Agency.

In a plan which will involve a complete reworking of the 1970 Health Act, the primary focus of the Department of Health and Children will shift to policy development.

The plan will also remove more than 20 of the 55 State agencies currently responsible for the health services. Hospital consultants will be asked to assume responsibility for the management of their own budgets.

With funding pressure leading to

hospital bed closures and other cutbacks increasing political pressure on Ministers, the Government will present the plan as a mark of its commitment to health.

The Opposition has for months seized on every fresh news item about cutbacks as a sign of the Government's inability to manage the service it pledged to revolutionise ahead of the election last year.

As the Government prepares to present the plan as a major programme of reform, it will be hoping to garner positive publicity from the initiative.

However, it is likely to face resistance from local politicians who will be unhappy to lose the perceived influence that comes with the membership of health boards.

In addition, health consultants and senior management grades in the overall service are also likely to resist some of the changes.

The plan is expected to take three years to implement; within the lifetime of the Government.

It comes as Ministers attempt to address the sharp increase in the cost of medical services, and achieve better value for money from the system.

Growing costs in the medical system were underlined on Thursday when the secretary general of the Department of Health and Children, Mr Michael Kelly, told a conference that the system required a €900 million increase in funding next year to maintain the same level of service.

Such an increase would bring the health budget to €9.4 billion. That sum is more than 10.5 per cent greater than this year's €8.5 billion budget, limits on which have led to controversial cutbacks.

The plan for the Cabinet is based on the conclusions of two consultancy reports which were separately commissioned last year by Mr McCreevy and Mr Martin.

The report by Prof Niamh Brennan of UCD for Mr McCreevy addressed funding. The report by the consultancies Prospectus and Watson Wyatt for Mr Martin addressed structures.

The joint memorandum does not embrace the separate proposals by the Hanley group which is researching manpower in the medical service. Its report, expected before the summer recess, is expected to include more detailed proposals on the reorganisation of consultant contracts. This aspect of the plan will require negotiations with medical unions.