



Rialtas na hÉireann  
Government of Ireland

# Spending Review 2021 - Healthcare Capital Investment in Ireland Series

*Analysis of Historical Capital Investment in Healthcare*

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# Spending Review 2021 – Overview, Aims & Objectives



## Overview

- This is the first of 3 papers in the series “Healthcare Capital Investment in Ireland”.
- The paper provides a historical overview of Public Capital Investment and Public Healthcare Capital Investment trends in Ireland, from early state provision of healthcare up to the present day.
- The paper provides an analysis of capital related health metrics in Ireland including acute beds, waiting lists and occupancy, and compares these to EU-15 peers.

## Aims and Objectives

- The paper examines how historical decisions on healthcare capital investment have influenced the distribution and type of healthcare facilities in Ireland.
- The paper compares Ireland’s healthcare capital performance relative to international peers.
- The paper establishes the need for a greater strategic approach to healthcare investment.

# Spending Review 2021 – Key Findings



## Key Policy Relevant Findings

- The paper indicates a lack of centralised strategic direction for healthcare historically, with investment policy not aligned with reports recommending a re-design and consolidation of the fragmented Irish hospital network.
- The paper highlights the strong pro-cyclical nature of Irish capital investment decisions historically, limiting the extent to which longer-term strategic investment decisions could be made. This pro-cyclical nature is also evident in healthcare investment trends.
- Irish healthcare capital spending equated to 66% of the investment made by EU peers from the 1970s up to 1996. While the gap in spend has closed in recent years, it is likely that this has left a legacy of lower capital stock in Ireland relative to international comparators.
- Within the total available health budget, growth in current expenditure has been prioritised over capital expenditure, which has historically equated to a small proportion of the total spend.
- Ireland is behind European comparators on various capital related health metrics, including Acute Care Occupancy, Waiting Lists, and Acute Bed Capacity.

# Spending Review 2021 – Key Findings (Continued)



## Key Policy Relevant Findings

- To reduce historic pro-cyclicality, capital investment should be implemented in a more consistent and steady-state manner, where large fluctuations in expenditure programming are avoided.
- Within available resources, both the level capital investment in healthcare, and the balance between the current and capital expenditure, should be re-examined.
- The paper recommends the production of a Strategic Investment Framework for Healthcare, which would identify the most efficient and effective use of capital resources through assessment against a set of criteria. This would enable project selection to be based on longer-term strategic priorities over shorter-term considerations.