

Varadkar suggests 'pay envelope' for health ahead of next "pay round"

Brian Sheehan

Former Taoiseach Leo Varadkar has suggested that when entering talks on the next public service "pay round", health unions should consider the idea of a 'pay envelope', within which issues like skill mix and re-assignment could be negotiated.

Mr Varadkar believes that staff numbers will continue to grow in the health sector into the future and there remains room for better pay and conditions, although costs will also need to be contained. More importantly, he argues that staff will need the "right tools" to perform their work.

Mr Varadkar was delivering the Irish Medical Organisation's (IMO) annual Doolin memorial lecture in the Royal College of Surgeons in Ireland last weekend.

Nurses' pay doesn't compare well internationally

He told the IMO attendees not to "sell themselves short" in pay negotiations and there was no reason not to look for more in the years ahead, "certainly in line with growth in wages in the private sector which is running at 4 per cent to 7 per cent per year".

He also declared a personal interest, noting "my life partner is a hospital consultant!"

What civil servants and politicians see, he said, is "increasing numbers of staff and those staff getting paid more", creating a multiplier effect.

But by coming to an agreement with the Government around a total envelope of spending on staff, this could include what the skill mix could be, which might be more consultants and practice nurses.

WHAT TO TELL DPER

"Doctors in Ireland are well paid but everyone in Ireland is actually well paid relative to other countries. (They) roughly earn three times the average income and that is not out of kilter with the rest of the developed world," he said.

On negotiating with civil servants, he advised: "As you enter into pay negotiations in the future, and people from the Department of Public Expenditure and Reform say doctors in Ireland are among the best paid in the world, you can tell them civil servants are among the best paid in the world. It is a feature of Ireland that we are high paid and [have] a high cost of living".

Regarding nurses and midwives, however, he believes their pay doesn't compare well internationally. Putting their pay at around €45,000 to €50,000, he said this was not particularly high when set against the pay of the "average worker" at €50,000, given that nurses have a four-year science degree, and many hold additional qualifications.

HR & WIDER ISSUES

Mr Varadkar also addressed HR concerns, like job numbers and training, as well related matters like the availability of beds, "unmet need", capital expenditure and demographic change.

Unmet need was still a big problem, even though Ireland is slightly above the EU average. This isn't a good place to be given our relative wealth, he said. There remains a huge disparity here

between the insured and the non-insured, whereas in Germany and the Netherlands, unmet needs “are almost unknown”.

Mr Varadkar said we have a high number of people working in health and social care, relative to our population. So, he wondered why do we have problems with recruitment and retention in this area, suggesting that the issue is “about a lot more than numbers”.

He observed that practicing doctors per head of population had improved significantly. “There was a time when Ireland was well down that graph ... now (we are) in the middle”, a big change between 2010/11 and today. Today we have 3.7 doctors per head of population, he said, pointing out that we have more per head than Australia, UK or the USA - “that’s where we are”.

When he was Minister for Health (2014-16) he told the audience there were 9,000 WTE doctors and dentists in the HSE. Today there are 14,000.

While he reckons there is scope for another increase in doctor numbers, he believes it won’t be by more than 10-15%. This raises the question of whether we have “the right doctors doing the right work in the right place, (with) the right equipment, the right IT and the right infrastructure to do the job?”

More focus is needed on the right qualifications, (and) doctors with the right tools, he said.

“SOMETHING ISN’T RIGHT”

On training, he said we are an outlier in that 51% of our nurses have trained outside the country, and 35% of doctors have done so. “No other country in the western world has rates that high”, although the UK is not far off that, he said.

While there is nothing at all wrong with people coming here, he does believe “something is not right” and needs to be looked at. In the last 5 years, 145,000 people had left Ireland and 148,000 came back. He suspects that this ratio is different in healthcare, where “not as many come back”.

The former Taoiseach said he can’t get to the bottom of why Ireland has so many practicing nurses, yet has a shortage. The INMO “will say we over-estimate the number of practicing nurses in Ireland” and while “there probably is an over-estimate ... we still have a lot of registered practicing nurses here and not just on the register”. This puts us as the “fourth highest in the western world per head of population”, he said.

He posed the question of whether nurses are always doing the right tasks, and have we too many (nurses) in parts of the health service “and not enough where they are needed most?”

INVESTMENT SHORTFALL

Mr Varadkar suggested that the €2 billion national children’s hospital could be seen as a 10-year development project – at a capital cost of around €200m a year, running from 2016 to 2026. This would represent around 20% of estimated annual capital health spending.

But he is very concerned that capital spending in other areas isn’t as strong as it should be. A new €1 billion hospital in Galway is badly needed, he believes, while significant investment is also required in Limerick and elsewhere. Referring to the new National Maternity Hospital project at St Vincent’s, he described it as just “crawling along” and had yet to tender for construction.

“TERRIBLE” DECISION

Mr Varadkar wants the next Government to commit to 5,000 additional hospital beds, at around 500 a year for a population that he believes will hit 6 million by 2040 or so. He hoped that would be in the new programme for government.

The health unions, he said, had been “spot on” about the shortage of beds.

He said that Germany, which has lots of beds but now has a shortage of around 20,000 nurses, a good friend of his – the former Health Minister – had told him they are now considering reducing their beds by a quarter. The advice he had given him was, “don’t do that!”

In his view, we had “done a terrible thing” in policy terms in Ireland during the 1980s, a lot of it “with advice from medics and specialists”, by reducing hospital beds by far too much. This meant that the emergency department was “the only way through which most patients can get into the hospital”.

“TALKING DOWN” HEALTH

Mr Varadkar also had strong advice for medics when demanding more funding for their hospitals, suggesting they could learn from the education sector: “The education sector always needs more money and resources and so does the health sector. But the education sector plays things a little bit differently and maybe a little bit smarter than the health sector.”

While university professors or school principals will demand more resources, he said you will never hear them “talk down the institution” and say the quality of education there is poor. “In contrast, some people in senior positions in healthcare are not putting their best foot forward when it comes to their own institutions, and I think that’s not smart.”

POLITICIANS

The now-retired politician also commented that people would be amazed at the number of those involved in policymaking who do not understand things like percentages.

Although some, like Public Expenditure Minister Paschal Donohoe and Finance Minister Jack Chambers, do understand numbers, “quite a lot don’t”.

Generally speaking, that those who did well in professions such as politics and journalism did so because they were good at languages and English and not at numbers and maths, he said.