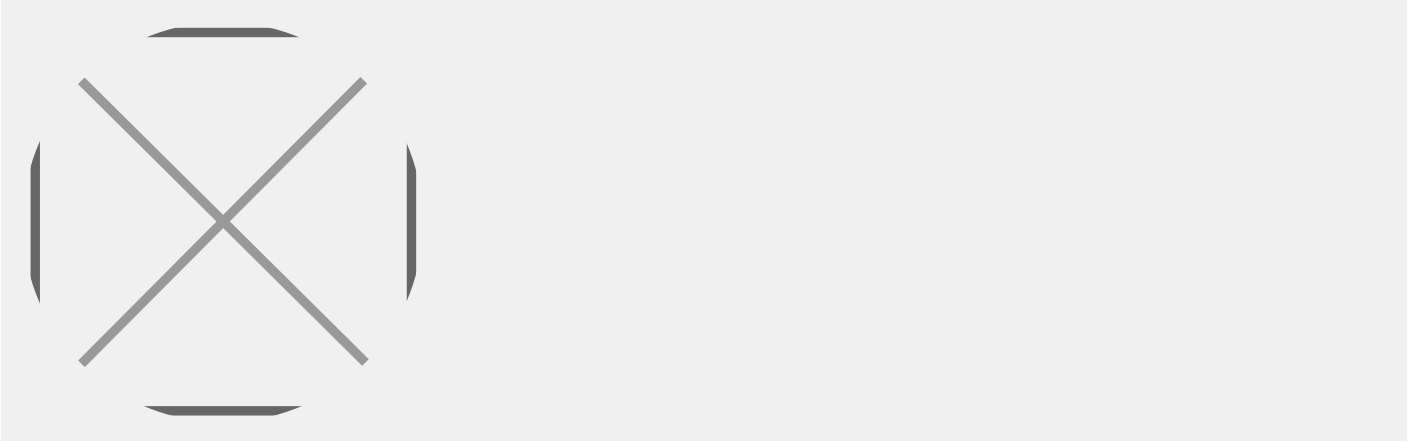
Interview with Ambrose McLoughlin, Secretary General, Department Health, Department of Health and Children



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Dr. McLoughlin, you were appointed to your post in April of this year. Can you please give us an impression of what you inherited at this Department when you took over the position of Secretary General?

For me, it is a privilege to support a Minister that is very determined to reform the Health System in Ireland, and move to a patient centric service. The immediate challenge facing the Irish healthcare system is to reduce the cost base— bringing it in line with other EU countries—and to make healthcare more affordable and sustainable.

The Minister for Health, Dr James Reilly TD, has been leading a reform program since April 2011 that is making significant progress during a difficult fiscal period. Dr Reilly has been very successful in dealing with inefficiencies—for instance, improving the trolley times and waiting periods. He set up the first Special Delivery Unit within the Department to advise and oversee the improved performance of healthcare delivery in Ireland.

The Minister has furthermore been developing a strategic framework ‘Future Health’, which will charter the way for the Department of Health and the whole system over the next number of years. One of the most important components of our strategy is to bring attention to primary prevention, and to encourage citizens to take responsibility for their own health and wellbeing.

The economic reality is that Ireland is involved in a program of support from the Troika. This program requires us to reduce the level of health expenditure and live within the parameters determined by Government. Since 2008, we have taken €2.5 billion out of the health system. At the

same time, 9,500 whole-time equivalent posts have been removed from the system. The pursuit of value and quality underpins the approach of the Department of Health.

We also have a requirement to make our care and treatment more patient-centric, rather than hospital-centric or profession centric —and we must provide more care at the lowest level of complexity. We must ensure we have the right mix of skills within our delivery model, and ensure that the pharmaceuticals we use are the best evidence based options and the most cost effective available.

In an address to the Health Management Institute (HMI) of Ireland, you stated, "we accept that in the health system, we have entered a new economic paradigm." Is austerity purely a temporary effect of financial crisis, or are the 'days of plenty' indeed over for good?

I believe that globally, we have entered a new paradigm. Because of the far-reaching impact of the global recession, many governments are looking to achieve more cost effective best results/best outcomes for patients from their expenditures.

In Ireland, our government has always been willing to spend money to provide healthcare to our citizens. We are very focused on equal access. With that said, I think one of the developments we will begin to see as a result of this new paradigm is more prudent spending and less waste. There will be much more accountability for the managing of resources and a sharper focus on results and best outcomes for patients.

Even as the agreements between pharmaceutical companies and the government have led to increasing negative impacts on their business, pharma managers seem to have nothing but praise for their relationship with the state. Why do you believe that is, and what can they expect from the government in the future?

Ireland has a very close ethical relationship with the pharma industry. It is worth about 40 Billion EUR per year to our economy, and it directly employs about 25,000 people. There is a financial imperative, from the point of view of the state, to foster a good ethical relationship.
But moreover, going forward, the health system wishes to collaborate with the industry to further develop research hubs. We're eager to see progress in terms of research and development—not just in pharmaceuticals, but also in the medical device, 'eHealth' and IT industries.

Following the government's 3-year agreement with the pharmaceutical industry, do you see any surprises laying in wait?

I would say we have established very clear pathways based on a partnership approach. We have very positive sentiment towards the industry. Despite the challenges in some of our negotiations, at the end of the day, both parties got a reasonable deal that is of considerable assistance to the broader public purse and enables us to fund cost effective new therapeutic regimes when they

become available.

The government—and specifically my Department—wishes to maintain a cordial and mutually beneficial, but ethical, relationship with pharma companies.

Focus Reports recently interviewed Leos Heger, the Minister for Health in the Czech Republic. Minister Heger remarked, 'The changes demanded in the Czech Healthcare System have often bordered on revolution—but I do not believe that a revolution is necessary. Instead, after these last 20 years, what we need to do is to tune up the system, with hundreds of small steps.' From your perspective, what is needed in Ireland?

We too need structured reform on an incremental basis. The specific pathway to reform is outlined in our strategic framework.
In progressing 'Future Health', the Reform Agenda, it is critical that we have cooperate and collaborate from all key stakeholders. A patient-centric model requires what I would define as a 'hearts and minds' approach, as much as it needs a legislative reform program.

Do you think you're making good headway in your 'hearts and minds' approach, given the fact that there has been some dissatisfaction expressed towards the current healthcare system by the public?

"Seeing is Believing". Once we have delivered on reform and things change for the better for patients, the public will come around.
It is natural that people are concerned, given the broader financial position we're in. However, we will still spend €13.4 billion plus on gross current expenditure in 2012 and progress significant reforms and continue on the journey of reform to more patient centric service.

I am hugely confident that we will be successful, under the leadership of the Minister, the Ministers of State, and other key stakeholders.

Do you have any final message you'd like to offer the pharmaceutical industry?

I would like to say clearly and unambiguously that Ireland truly values the pharmaceutical industry. We understand the pivotal role the industry plays in determining best outcomes for patients.
As the Department of Health, we want to be supportive in every way we can, and will help our colleagues in the IDA, Enterprise Ireland, and other government bodies to ensure the growth and continued development of the pharmaceutical industry, bringing ever more benefits for patents and jobs to help the Irish economy.

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