

OPPORTUNITIES IN IRELAND / May 2020

HEALTHCARE SECTOR



OFFICIAL PROGRAMME



PARTNER



OPPORTUNITIES IN IRELAND HEALTHCARE SECTOR

Date: May 2020

Language: English

Number of pages: 17

Author: Suzanne Flood, OpenVentures Consulting

Other sectorial Reports: Are you interested in other Reports for other sectors and countries? Please find more Reports here: s-ge.com/reports

DISCLAIMER

The information in this report was gathered and researched from sources believed to be reliable and is written in good faith. Switzerland Global Enterprise and its network partners cannot be held liable for data which might not be complete, accurate or up to date; nor for data from internet pages/sources over which Switzerland Global Enterprise or its network partners have no influence. The information in this report does not have a legal or juridical character, unless specifically noted.

Contents

1.	INTRODUCTION	5
1.1.	STUDY GOALS AND OBJECTIVES	5
1.2.	INTENDED AUDIENCE	5
1.3.	LIMITATIONS AND CHALLENGES OF STUDY	5
1.4.	APPROACH AND METHODOLOGY	5
2.	THE HEALTHCARE SECTOR IN IRELAND	7
2.1.	THE IRISH HEALTHCARE SYSTEM	7
2.2.	THE CHALLENGES IN THE IRISH HEALTHCARE SYSTEM	7
2.3.	EXPENDITURE	9
2.4.	HOSPITALS	9
2.5.	PROCUREMENT	10
2.6.	DISTRIBUTION	10
2.7.	ALTERNATIVE ENTRANCES TO THE IRISH HEALTHCARE PROVIDERS	11
2.8.	PROCUREMENT OF NON-MEDICAL HEALTHCARE PRODUCTS/SERVICES	11
2.9.	INNOVATION	11
3.	CONCLUSION	12
4.	APPENDIX	13
4.1.	BIBLIOGRAPHY	16

List of tables

Figure 1. Occupancy Rate of Curative (acute) Care Beds, 2000 and 2017 (or nearest year).....	8
Figure 2. Breakdown of the healthcare budget in 2019.....	9

1. Introduction

1.1. STUDY GOALS AND OBJECTIVES

The Swiss Business Hub (SBH) in London is responsible for exports to the UK and Ireland. Swiss companies in the past have mainly looked at the UK to export, but due to the challenges of BREXIT, the SBH wanted to look at the opportunities in Ireland.

In this healthcare report, the SBH wants to understand more about procurement to hospitals to identify trends, needs and export opportunities.

1.2. INTENDED AUDIENCE

The SBH wants to present to Swiss SMEs a report that shows the business opportunities of the Irish market. The SBH works with SMEs that have innovative products/ services/ technologies with a unique selling point.

1.3. LIMITATIONS AND CHALLENGES OF STUDY

The limitations of the study are the unknown impact of COVID-19. When the report was commissioned, COVID-19 had not reached Ireland and there was no suggestion that it would impact Ireland so devastatingly. As the report is being finalised, Ireland is still in lockdown. Part of the report is based on primary research, but due to the COVID-19 pandemic and the majority of people working from home, it was much more difficult to reach industry experts, especially in the healthcare sector because they were generally focused on solving direct issues caused by the pandemic.

1.4. APPROACH AND METHODOLOGY

The reports are based on primary and secondary research. The primary research was conducted with Key Opinion Leaders (KOL) and industry experts. The research focused on finding out the potential opportunities for different sectors (check www.s-ge.com to view other sector reports) and trying to understand how the COVID-19 pandemic will affect that sector. In trying to understand the impact of the pandemic the reports look at how the 2008-2012 recession affected Ireland and how these sectors coped with the recession. A large part of this report is based on primary research. Those involved in the research will not be named.

Suzanne Flood

Managing Partner & Export Specialist

OpenVentures Consulting
Omega House
Collinstown, Swords
Dublin

Mail sales@openventuresconsulting.com
Phone +353 86 8303703
www.openventuresconsulting.com

Marieke Hood

Head of the Swiss Business Hub UK + Ireland

Embassy of Switzerland in the United Kingdom
16-18 Montagu Place
London W1H 2BQ

Mail marieke-liliane.hood@eda.admin.ch
Phone +41 44 365 5151
www.s-ge.com

2. The Healthcare Sector in Ireland

2.1. THE IRISH HEALTHCARE SYSTEM

In order to understand the opportunities in the Irish healthcare system for Swiss companies, it is necessary to understand how the system works.

In Ireland healthcare policies are governed by the Department of Health and its services are delivered by the Health Service Executive (HSE). The HSE is responsible for

- Acute hospitals
- Social care
- Mental health
- Primary care
- Health and wellbeing
- National Ambulance Service

The delivery system is mixed with a range of public, voluntary and private providers. The current Irish system is primarily a tax-financed public system but with significant out-of-pocket spending, mainly in primary care, and with supplementary health insurance for private hospital cover.

Approximately 45% of the Irish have private health insurance which allows for a two-tier system. Many of the consultants work both in the public and private sectors, utilising the public hospitals, however there are also many private hospitals which are extremely successful (see Appendix).

All Irish residents are entitled to receive healthcare through the public healthcare system, which is managed by the Health Service Executive (HSE) and funded by general taxation and subsidised fees for service. All maternity services and child care up to the age of six years are provided free of charge. Emergency care is provided at a cost of €100 for a visit to the Accident and Emergency (A&E) department, if one has not attended a GP first.

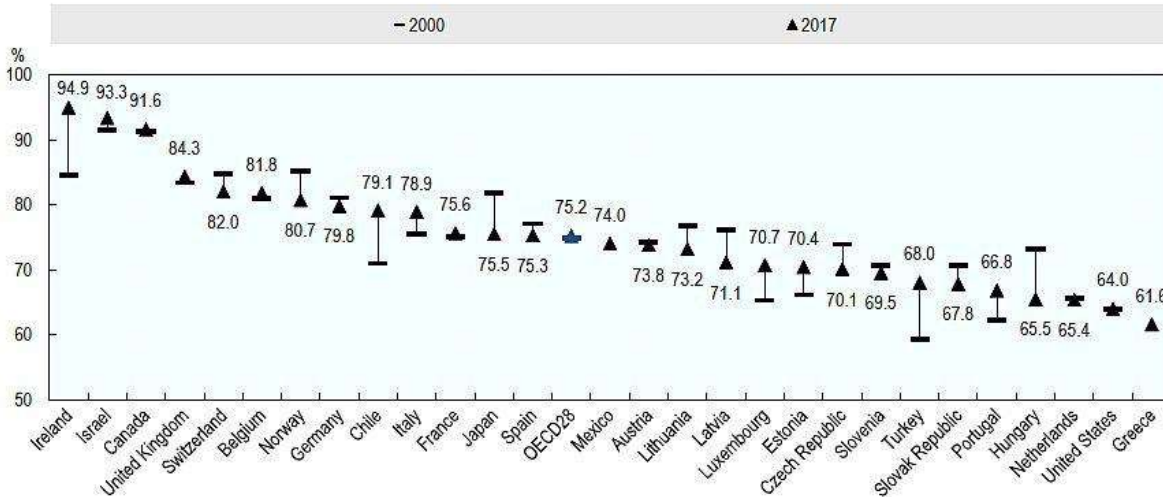
2.2. THE CHALLENGES IN THE IRISH HEALTHCARE SYSTEM

However, the Irish public health system is facing a crisis. There is a chronic shortage of beds in the hospitals. In November, there were 679 patients on trolleys in Irish hospitals (source: INMO, 5th November 2019). As of 14th February 2020, 677,000 people were on hospital waiting lists, 133,000 for over 18 months (source: the Irish Times). The occupancy rate for acute care beds is among the highest in OECD countries, and while having a high utilisation rate of hospital beds can be a sign of hospital efficiency, it can also mean that too many patients are treated at the secondary care level.

The chart below shows the change in occupancy rate in hospitals in various countries across the globe.

Source: OECD, 2019

Figure 1. Occupancy Rate of Curative (acute) Care Beds, 2000 and 2017 (or nearest year)



The latest outpatient waiting lists indicate that 563,410 patients were awaiting an appointment as of November 2019, an increase of 47.5% since 2014. Almost 30% were waiting 0-3 months while 18.7% were waiting 18 months or more (source: Social Justice Ireland, 10th January 2020).

Ireland is very hospital-centric and as we will see later in the report, herein lie many of the opportunities for Swiss companies. One of Ireland’s big problems is its inability to discharge patients into the community as it does not have sufficient support in the community services and step-down facilities.

Recruitment retention and training of healthcare workers is a major challenge and hence a lot of Irish-educated nurses and doctors seek employment abroad.

Ireland’s relatively high spending on healthcare - the seventh highest in the OECD, at \$5,500 per head in 2017 - is not matched by the level of service (source: The Economist, 19th March 2019).

In May 2017, Sláintecare was introduced. Sláintecare is a 10-year programme to transform the Irish health and social care services. It is a roadmap for building world-class health and social care services for the Irish people.

The Sláintecare vision is to achieve a universal single-tier system where everybody has equal access to services based on need and not on the ability to pay. Over time everybody will be entitled to a comprehensive range of primary, acute and social care services, however the Key Opinion Leaders (KOLs) and industry experts feel that whilst the aims of Sláintecare are excellent, it lacks some clarity i.e. Sláintecare does not detail how this system will be achieved.

2.2.1 COVID-19

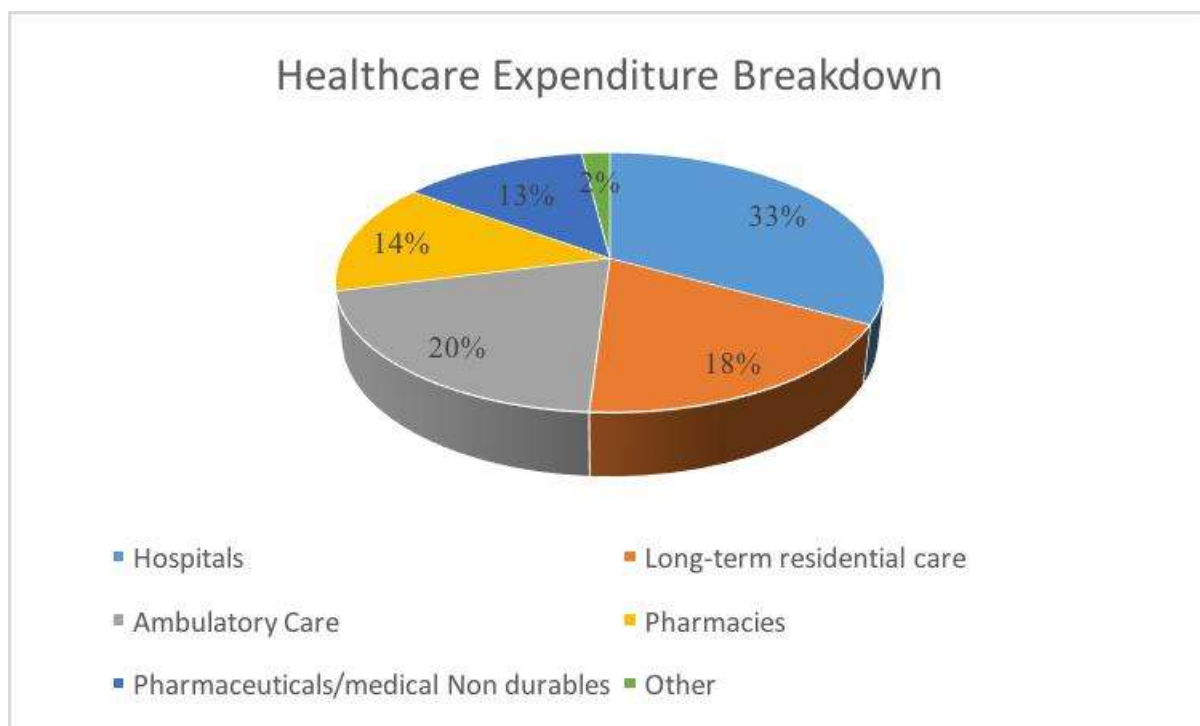
COVID-19 is placing unprecedented pressure on the healthcare system. The government has emptied out all the hospitals and cancelled all non-emergency operations for the next few months. For a system already under huge pressure and with long waiting lists, this is going to mean even larger waiting lists. In the autumn, the Irish government is going to wake up with an almighty hangover and realise that it has even greater problems, and the question that will be asked is how it can be made more efficient. With a new government (yet to be formed), it will be a challenge to build a strong and stable healthcare system.

2.3. EXPENDITURE

The budget for the Irish Healthcare for 2020 is €17.4 billion, €1 billion more than in 2019, however this budget had been decided before the COVID-19 pandemic reached Ireland and whilst it has pledged an extra €9 billion to the economy, it is not clear what percentage will go to the healthcare sector. The total expenditure on healthcare (including out of pocket expenditure) in 2019 was €20.3 billion (source: Central Statistics Office).

The graph below details the breakdown of the healthcare budget in 2019.

Figure 2. Source: Central Statistics Office (CSO)



33% of budget was spent on hospitals and the majority of this expenditure was related to curative and rehabilitative care of which nearly 50% was inpatient services.

With COVID-19, the question is where will the government spend the budget? With the new government, the hope is that it will be spent more on keeping patients out of hospital and making the system more efficient, utilizing beds more efficiently and increasing day care facilities.

2.4. HOSPITALS

In Ireland there are seven public hospital groups:

- Ireland East Hospital Group
- Dublin Midlands Hospital Group
- RCSI Hospital Group
- University Limerick Hospital Group
- South/South West Hospital Group
- Saolta University Healthcare Group

- Children Health Ireland

(See Appendix)

The public hospitals are divided between HSE hospitals and voluntary public hospitals. HSE hospitals are owned, funded and run by the HSE. Voluntary public hospitals are funded by the HSE but they are run by a private board.

There are also 18 private hospitals in Ireland (see Appendix).

One of the areas the primary research focused on was the openness to innovation in both private and public hospitals. The KOLs agree that there was possibly more openness to innovation in public hospitals as private hospitals are more about profit. Private hospitals have to make money and it is the job of finance and procurement to ensure that profit is achieved. As public hospitals are not-for-profit organisations, they are at times more willing to try new products.

However, openness to innovation exists in both types of hospitals because of how procurement works and because often it is an expert sale, and if a surgeon/consultant believes in the unique selling point of that product, s/he will push for procurement to buy it. In a private hospital a surgeon has real influence on the products/services bought (they also have considerable influence in public hospitals).

2.5. PROCUREMENT

2.6.1 Public Hospitals

Procurement by the HSE is governed by national rules, EU procurement rules and HSE procurement policy. Within the EU procurement rules, framework agreements were introduced as a means of facilitating cost-effective procurement of goods and services. The Directive provides guidance on the procedures for setting up frameworks, the type of frameworks that can be used and the procedures for awarding contracts based on a framework.

All tenders over the threshold are published on e-tenders www.etenders.gov.ie. The website allows searches with key words. It can also send daily updates on new or amended RFP/RFTs.

Procurement in hospitals is quite complex and the people involved are bound by regulations. Over the last five years, the HSE has been centralising procurement and now there is a central distribution warehouse in Tullamore, Co Offaly. For certain products and services, central procurement will do the buying, e.g. products such as catheters or tubes. Products of high volume/low value are all bought centrally. Products that are bought in bulk will be centrally bought by the HSE.

With expert products, the sale is generally to a surgeon/consultant. The HSE would like to centralise these purchases, however each public hospital has a certain amount of autonomy especially when it comes to expert products. Expert products are presented to the surgeons and they need to be convinced of their qualities before they will use them. The product will go through procurement and there may be even frameworks for the product. If the expert product is shown to have specific outcomes that justify the cost, procurement will try and buy it. Please note that below the government threshold, hospitals may purchase autonomously (five quotes).

The KOLs feel that there was a greater drive for consultation with suppliers in order to drive a better understanding of the market, which is leading to greater acceptance of innovation, as procurement can find cost-effective solutions to key healthcare issues. There is an opportunity for suppliers to engage with the procurement in hospitals for pre-market engagement but this should be done with a distributor.

2.6. DISTRIBUTION

The recommendation from KOLs is that any Swiss company with an expert product uses a distributor. The need for a distributor is two-fold: 1. They understand the Irish public procurement system which is not only complex but a really grey area and hence the need for inside knowledge; and 2. They will know the surgeons and consultants. Local knowledge is

imperative to sell into Irish hospitals. It is partisan sale – in the sense that if you do not understand the people that you need to speak with and the order in which you need to speak with them, the selling process could be challenging.

2.7.1 Private hospitals

Private hospitals are not bound by EU procurement directives. They generally must request three quotes and will evaluate the quotes on quality (outcome) versus cost. Some surgeons will only use certain products and services. This commitment to a product is done by having an exceptional product and building a very strong relationship with the consultant.

However, the KOLs again feel that whilst it is easier to approach the private hospitals, the issue still remains the same that a person on the ground in Ireland is needed to sell an expert product. KOLs believe that an expert product needs to be sold through distribution irrespective of whether the sale is to a private or public hospital.

2.7. ALTERNATIVE ENTRANCES TO THE IRISH HEALTHCARE PROVIDERS

The other entrance into hospitals that was suggested by the KOLs is to work with the universities who all have strong connections with the hospitals.

Health Research Board Clinical Research Coordination Ireland, HRB- CRCI, is an independent integrated national clinical research network, providing centralised support in the conduct of multicentre clinical trials (both commercial and academic) across Ireland. It is funded by extramural grants from the Health Research Board (HRB) and Enterprise Ireland (EI), supported by its partner universities and is hosted by Clinical Research Development Ireland (CRDI). <https://www.hrb-crci.ie>.

Included in the Appendix are some further contacts. For University College Dublin (UCD), a general contact is available who will be able to discuss the potential product for trial and whether the university in collaboration with a hospital would be interested in doing a trial. Included in the matrix are also some academic contacts for trials in very specific medical disciplines.

2.8. PROCUREMENT OF NON-MEDICAL PRODUCTS/SERVICES

Non-medical products and technologies are purchased both centrally by the HSE and by the individual hospital. Speaking with the hospitals, procurement want to control the sale, however the advice from the KOLs is to go to the division/department where the product/service will be utilised and find a champion for the product/service.

2.9. INNOVATION

Healthcare is a complex industry, yet it lags behind virtually all others in automation and use of technology. The Irish health system is in crisis and the COVID-19 pandemic is not going to help the situation of hospital waiting lists and patients on trolleys. However, this crisis could be the watershed for the hospitals and the HSE and offer immense opportunities to companies that can make the system (and hospitals) much more cost-effective and efficient by offering products/services that can reduce medical errors and promote better management of diseases and illnesses.

Data analytics that can generate new insights about patients and continuously improve quality and reduce inefficiencies are much in demand. There is significant opportunity for companies that provide data technology.

In the Irish health system there is no centralised patient database. This can cause delays in diagnosis and even incorrect diagnosis. Data protection is an issue but the KOLs feel that data protection issues are not insurmountable and that it would be seriously beneficial for both the patients and the hospitals.

The real opportunity is for companies that have technologies that keep people out of hospital and facilitate care in the community, for example technologies that monitor the heart rate and send the data directly to the doctor who in turn can quickly analyse, i.e. medical wearables. Companies that can work with the HSE and the hospitals on integrated healthcare thinking will find significant openings in Ireland.

Advanced bar-coding technology is always of interest to hospitals. AI and automation are other areas of interest.

3. Conclusion

The healthcare system in Ireland is seriously under pressure with huge waiting lists for consultants and many patients on trolleys. There are definitely opportunities for medical companies with innovative products that have a unique selling point and whose prices are valid. In the public sector, the HSE is trying to centralise as much of the procurement as possible but expert products remain a surgeon sale and hence the recommendation is that Swiss companies look for an appropriate distributor.

Clinical trials for certain new technology (and treatments) are a possibility and the hospitals are open to this through the universities.

Innovation today is probably more important than ever: innovation that can make the system more cost-effective and efficient; products, services and technologies that allow people to be treated in the community; suppliers that can help the Irish healthcare system to move to integrated healthcare thinking.

Big Data companies can work with hospitals to help them analyse and utilise their large datasets in order to make them more efficient and ultimately provide better care for patients.

4. Appendix

Main hospitals

Public Hospitals: Dublin		
Name	Website	Address
Beaumont Hospital	www.beaumont.ie	Beaumont Rd, Beaumont, Dublin 9
Coombe Women & Infants University Hospital	www.coombe.ie	Cork St, Dublin 8
Mater Misericordiae Hospital	www.mater.ie	Eccles St, Phibsborough, Dublin 7
The National Maternity Hospital, Holles St.	www.nmh.ie	Holles St, Dublin 2
Our Lady's Children's Hospital	www.olchc.ie	Coolley Rd, Crumlin, Dublin 12
Rotunda Hospital	www.rotunda.ie	Parnell Square W, Dublin 1
Royal Victoria Eye & Ear Hospital	www.rveeh.ie	Adelaide Road
St James's Hospital	www.stjames.ie	James's St, Dublin 8
Luke's Hospital, Rathgar	www.stlukesnetwork.ie	Highfield Rd, Rathgar, Dublin 6
St Vincent's University Hospital	www.stvincents.ie	Elm Park, Merrion Rd, Dublin 4
St Vincent's Hospital	www.svhf.ie	Convent Avenue, Richmond Road, Fairview, Dublin 3
Tallaght University Hospital	www.tuh.ie	Tallaght, Dublin 24, NROA
Private Hospital Dublin		
Name	Website	Address
Beacon Hospital	www.beaconhospital.ie	Beacon Court, Sandycroft, Dublin 18
Blackrock Clinic	www.blackrock-clinic.ie	Rock Road, Blackrock, Co Dublin
Highfield Private Hospital	www.highfieldhealthcare.ie	Swords Road, Whitehall, Dublin 9
Mater Private Hospital	www.materprivate.ie	7 Eccles St, Dublin 7
Sports Surgery Clinic	www.sportsurgeryclinic.com	Santry Demense, Santry, Dublin 9
St John of God Hospital	www.stjohnofgodhospital.ie	Stillorgan
Patrick's Hospital	www.patrics.ie	James St, Dublin 8
St Vincent's Private Hospital	www.svph.ie	Merrion Rd, Dublin 4
Bon Secours Hospital Dublin	www.bonsecours.ie	Glasnevin Hill, Glasnevin, Dublin 9 D09 YN97
Private Hospitals Ireland		
Name	Website	Address
Galway Clinic	www.galwayclinic.ie	Doughiska, Co Galway, H91 HHT0
Mater Private Hospital Cork	www.materprivate.ie/cork	Citygate, Mahon, Cork
Bon Secours Hospital Cork	Contact Dublin	
Public Hospitals Ireland		
Name	Website	Address
Cork University Hospital	www.cuh.hse.ie	Wilton, Cork
University Hospital Limerick	www.hse.ie/irl/acute/hospital	St Nessan's Rd, Doora Doyle, Co. Limerick, V94 F858
University Hospital Galway	https://www.saolta.ie/hospital/university-hospital-galway	Newcastle Rd, Galway, H91YR71

Groups

Name of Hospital Group	Address
Ireland East Hospital Group	
The Mater Misericordiae University Hospital Dublin	Ireland East Hospital Group
St Vincent's University Hospital Dublin	C/O Mater Misericordiae University Hospital
Midland Regional Hospital Mullingar	Eccles Street ; Dublin
St Luke's General Hospital, Kilkenny	D07 R2WY
Wexford General Hospital	
Our Lady's Hospital, Navan	
St Columcille's Hospital Loughlinstown Dublin	
St Michael's Hospital, Dun Laoghaire	
Cappagh National Orthopaedic Hospital Dublin	
Royal Victoria Eye and Ear Hospital Dublin	
National Maternity Hospital Dublin	
RCSI Hospitals Group	RCSI Hospitals Group, 111 St. Stephens Green Dublin 2
Beaumont Hospital Dublin	
Connolly Hospital Dublin	
Our Lady of Lourdes Hospital Drogheda	
Louth County Hospital Dundalk	
Cavan General Hospital	
Monaghan Hospital	
Rotunda Hospital Dublin	
Dublin Midlands Hospital Group	Bridgewater House, Bridgewater Business Centre, Conyngham
St James' Hospital Dublin	
St Lukes Radiation Oncology Network	
Tallaght University Hospital Dublin	
Midlands Regional Hospital Tullamore	
Naas General Hospital	
Midlands Regional Hospital Portlaoise	
The Coombe Women & Infant University Hospital Dublin	

4.1. BIBLIOGRAPHY

<https://bit.ly/2K9J4og>
<https://bit.ly/2XJCgWA>
<https://www.economist.com/europe/2019/03/21/health-care-in-ireland-leaves-much-to-be-desired>
<https://www.socialjustice.ie/content/policy-issues/type/health>
<https://healthmanagement.org/c/hospital/issuearticle/overview-of-the-irish-healthcare-system>
<https://www.eolasmagazine.ie/procurement-in-healthcare/>
<http://www.irishhealth.com/article.html?id=10994>
<https://www.socialjustice.ie/content/policy-issues/type/health>
<https://www.imt.ie/opinion/health-faces-a-mountain-of-problems-27-09-2016/>
<https://www.esri.ie/system/files/media/file-uploads/2015-07/OPEA045.pdf>

<https://divbyte.com/automation-in-hospitals-and-healthcare/>
<https://info.advsyscon.com/it-automation-blog/automation-hospitals>

ExportHelp

s-ge.com/exporthelp
exporthelp@s-ge.com
T +41 844 811 812



Switzerland Global Enterprise
Stampfenbachstrasse 85
CH-8006 Zürich
T +41 44 365 51 51

Switzerland Global Enterprise
Corso Elvezia 16 – CP 5399
CH-6901 Lugano
T +41 91 601 86 86

Switzerland Global Enterprise
Chemin du Closel 3
CH-1020 Renens
T +41 21 545 94 94

s-ge.com