

competition in the economy
 vigorous competition drives productivity growth, innovation and value for all
 consumers
 innovation
 productivity
 economy
 growth
 productivity
 economy



productivity
 growth,
 innovation
 and
 value
 for
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 consumers
 in
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 economy

productivity

Competition in Professional Services
General Medical Practitioners
Executive Summary of Parts I and II

December 2009



The Competition Authority
 An tÚdarás Iomaíochta

Key Findings

The Competition Authority has identified three factors that are having an impact on competition in GP services in Ireland:

1. Restrictions on the number of qualifying GPs;
2. Restrictions on advertising by GPs; and,
3. Restrictions on GPs wishing to treat public patients.

These restrictions are contributing to difficulties being experienced by patients - in terms of accessing regular GP services in certain "blackspot" areas of the country and rising prices for private patients.

The cost of visiting a GP has risen rapidly in recent years, significantly outpacing the general rate of inflation in the economy. There are indications that a substantial number of private patients are delaying GP visits due to cost factors and are "shopping around" for cheaper consultation fees. The State paid an average of €64 for every GP visit made by a public patient in 2008.

In examining these issues, and engaging with those with the power to make reforms, the Competition Authority has already identified solutions which will improve the supply of qualified GPs and facilitate informative advertising by GPs, and their implementation has been progressed. These issues are the subject of Part II of this report. Part I provides an overview of the GP profession and demand and supply in GP services in Ireland. The issue of the impact of the GMS system (for GPs treating public patients) will be dealt with in Part III of this Report, to be published in 2010.

An Adequate Number of GPs for Ireland

There are an estimated 2,800 doctors working as GPs in Ireland. This number is relatively low by international standards. Ireland has only 60% of the number of GPs per thousand population compared to Germany or the US, and only about two-thirds the number of most continental European countries.

The increased feminisation of the GP profession in recent decades has been accompanied by a rise in part-time working, among both male and female GPs, and a movement towards earlier retirement. As a result, an increased number of GPs will be required in the future simply to maintain existing levels of service provision.

These factors, as well as rising demand, raise concerns about the adequacy of the supply of GPs in Ireland now and into the future. These concerns are particularly significant given that Government health policy aims to increase the focus of healthcare on primary care, moving treatment away from hospitals into the community. An adequate supply of GPs is essential to such a strategy and also to competition in GP services.

The path to becoming a GP in Ireland is much more structured than in the past. Doctors must now undertake four years of specialist training in general practice before qualifying as a GP. As a result, the number of new GPs qualifying in Ireland is dependent on the number of specialist GP training posts available, in a way that was not the case in the past. The number of doctors being trained as GPs will need to rise substantially in the years ahead

as a result of all these changes in the GP profession and to cater for predicted population growth.

In examining the training of GPs in Ireland, the Competition Authority identified an issue that has historically impeded the number of GPs qualifying in Ireland each year. Currently all training programmes for GPs require that all trainees complete four years of training: 2 years of hospital-based training with some off-site training ("Phase 1") and 2 years of GP practice-based training ("Phase 2"). GP trainees receive a salary from the HSE during each year of their training. No recognition or flexibility is granted where a trainee has previously obtained equivalent relevant hospital-based training. Doctors with previous training who obtain a place on a GP training course must often repeat training they have already completed.

The Competition Authority met the Irish College of General Practitioners (ICGP) in 2008 and highlighted that the requirement to repeat training was costly, inefficient and ultimately was limiting the number of new GPs available to treat patients in Ireland. The Competition Authority proposed that an alternative intensive course – a "*Phase 2 Orientation Programme*" – could be introduced as a fast-track option for doctors who have completed relevant hospital-based training. It would allow doctors with prior relevant hospital-based training to proceed directly to the in-practice phase of GP training. This Programme would be equivalent to the off-site component of Phase 1 of GP training and provide doctors with appropriate knowledge and orientation for general practice. This proposal was deemed to be a workable solution by the ICGP.

There is general agreement that the recognition of prior relevant training would remove a bottleneck in the number of qualified GPs Ireland can produce each year. Implementing the Competition Authority's fast-track system for training GPs would help alleviate predicted shortages in the number of GPs in Ireland, in an efficient and cost-effective manner. The issue of the funding of additional Phase 2 GP trainee places is a matter under discussion between the HSE and the ICGP.

Restrictions on Advertising

In 2007, the Competition Authority identified significant unnecessary restrictions on advertising by GPs and the supply of information to patients. For example, medical practitioners who were setting up practice could only announce their presence by way of newspaper notices. Local radio announcements, flyers and other normal methods of creating awareness of a new business were not allowed. Advertising of prices was actively discouraged. These restrictions were contained within the Medical Council's "*Guide to Professional Conduct and Ethics for Registered Medical Professionals*".

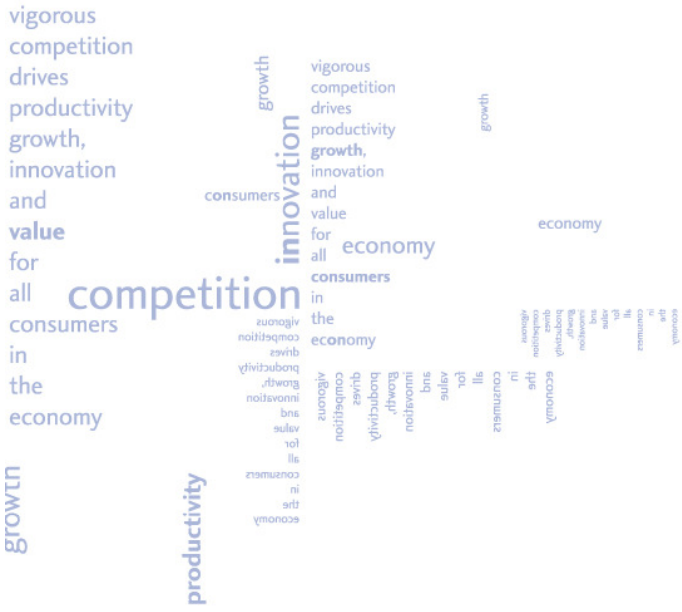
When the Medical Council started a review of the Guide in 2007, the Competition Authority made a detailed submission to the Council. The submission highlighted that the restrictions went beyond what was required to protect the public from misleading advertising, and instead had a number of negative effects such as discouraging price competition and limiting the knowledge consumers had about GP services in their area. The Competition Authority recommended that restrictions on the content, place and size of practice signs and advertisements be removed, along with the restrictions on distributing price information.

The Medical Council subsequently removed the restrictions from the Council's updated ethical guidelines "*Guide to Professional Conduct and Ethics for Registered Medical Professionals 7th Edition*" published in November 2009.

The removal of the restrictions on advertising will make it easier for consumers to obtain information about the availability and price of GP services in their area. It will also bring benefits to newly established GPs who want to advertise their new practices and should encourage GPs to offer new and innovative ways of delivering their service now that they can fully inform the public of their services.

The Impact of the GMS System

Three out of every four GPs in Ireland are contracted by the HSE to provide services to public patients under the GMS scheme. Participation in the GMS scheme provides GPs with an important source of income (averaging €220,000 per GMS-contracted GP in 2008) and a range of important ancillary benefits, including superannuation and practice support payments. The availability of GMS contracts has a significant influence on the commercial aspects of GP services - such as the location of GP practices throughout the country, and on whether GPs choose to set up in practice on their own or to join an existing practice. This issue is being examined further by the Competition Authority and will be reported on in 2010.



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