



# Federation of Irish Societies

This is an additional response to that made to *Care for our future* on 19 10 2012.

We are very concerned that, as the proposals on the reformed health services take shape, that some aspects of their structure – ‘Prime contractors’ and sub-contractors – the Prime Minister’s desire to extend payments by result into health services delivery – are coming to resemble the controversial reforms already introduced into contracting by the DWP. We hope that you are looking closely at the consequences (some of them perhaps unintended and unexpected) arising from the DWP practice – particularly the adverse impact on small and medium voluntary sector participation, as you plan the detailed regulatory workings of the reformed health services.

While we perfectly understand the need for real and sustainable outcomes for service users, we feel that there are levels of risk around payment by results which can be sustained, especially by large private sector organisations, but which cannot be sustained to the same extent by small and medium voluntary sector organisations. Nor can small to medium voluntary organisations, providing niche services, sustain themselves to the same extent, over time, in the uncertainties of competitive markets.

Nor do we feel that small to medium voluntary organisations should be subject to the same degree of regulation or cost in terms of licensing as the larger commercial entities.

Just as we have suggested in our previous submission that boards of management, in the case of providers of domiciliary care, should bear some of the responsibility for the shortcomings of their employees in the provision of services, we also suggest that - in the sub-contracting of health services more generally - Primary Contractors should be expected to share, to some degree, the financial risk undertaken by small to medium voluntary sector sub-contractors.

Over some years, the government built the capacity of second tier organisations so that these could, in turn, built the capacity of small front-line service delivering voluntary organisations. It is not at all clear to what degree this second objective was achieved across the board.

If the government really does value the input of small to medium voluntary organisations as contractors or subcontractors, they will need to build into the system some element(s) of local support for these organisations, to encourage development and address risk.

Finally, as deadlines for the introduction of reformed services approach, we find it exceeding difficult to access clear information on the concrete processes of future funding/commissioning of nationally and locally provided services which would help us to inform our local affiliates on these issues.