Health Budget Oversight Group Meeting
Draft Minutes

Friday, 30 July 2021 – 0830-1000

Health Service Executive: TBC - Stephen Mulvany, Colum Maddox, Caoimhe Dolan, Tim Cummins, Dorothea Dolan, Chloe Caffrey, Louise Creighton

Department of Health: TBC - John O'Grady, Margaret Campbell, Kevin Colman, Rhona Broderick, Matthew Dignam, Linda Learmouth, Daniel Curry, Denise McCarthy, Claire Doyle

D/Public Expenditure and Reform: Ronnie Downes (Chair), Jim Deane, Daniel O'Callaghan, Terry Jennings, Patrick Moran, Eoin O'Donnell

1. Minutes of Meeting of 23 June 2021

D/PER asked attendees to provide any written comments by 5th August on draft minutes circulated in advance of the meeting.

2. Health Budget Profile and Monitoring

D/PER provided an update on the meeting between the Ministers for Health and Public Expenditure and Reform on 13th July. The Ministers had agreed that more timely information and greater openness and transparency in relation to Health system expenditure is required, particularly in relation to the reconciliation of monthly Exchequer data with the HSE's own accruals systems, in the interests of effective in-year oversight and control.

Expenditure Monitoring:

Outstanding information requests were discussed and it was noted that the provision of timely information impacts the timing and efficacy of HBOG as well as the setting under which Estimates 2022 is discussed. It was noted that the Secretary General of the Department of Health (as the Accounting Officer) has engaged with the HSE CEO to underline concerns in this regard.

End-Year Position:

D/PER stressed that a supplementary estimate could not be countenanced this year given the substantial additional allocations in the Budget and the Health Vote must be managed accordingly. D/Health noted that a considerable amount of information has been shared with D/PER and that it is likely some unfunded commitments will be covered by time related savings.

2020 Cash Position:

The HSE noted the cyber-attack and its major impact on HSE business but that nonetheless projections had been shared and that the current outlook is a breakeven position. It was noted that there were some risks related to the Vaccination programme and the current 4th surge. D/PER underlined the need for timely and complete data, and for a shared understanding of the current budgetary position against a meaningful profile. Health had sought a supplementary last year while it appears there was significant cash on hand at end-year,

carried into 2021. Assurances are being sought that this will not be repeated, on such a material scale. D/Health agreed to reflect on insights and how the use of cash translates into I+E, accruals v cash and working capital and the need for cash. It was noted that this is a complex exercise.

Update on July Quarterly Expenditure Memorandum:

D/PER requested an update on the status of the quarterly expenditure memo for health. D/Health reiterated no corrective action appears necessary at this stage. As things currently stand, Health Vote can be accommodated within budget.

Acute Hospitals Deficit:

D/PER requested information on drivers of the significant overspend reported in the Acute Hospitals budget line by end June (to include note on loss of income) and implications for projected end-year position.

Global Expenditure Profile and ELS:

The HSE advised that an updated version of the June FPR is in preparation by the HSE, which will include updated profiles for acute hospital expenditure, and that this will be circulated asap.

3. Staffing

- Pay and Numbers Strategy update
- Progress on recruitment (progress generally, current position, expected year end position)

The Department of Health advised that May/June census data had been provided by the HSE which will be shared with DPER. Recruitment is continuing and the current projection to year end is that an additional 7,000-7,500 will be recruited by year end.

The HSE confirmed this position stating that the expansion of the National Vaccine programme and cyber-attack has impacted on recruitment. There is significant investment to drive the recruitment pipeline including to deliver on the Government's Sláintecare policy.

4. COVID-19 Reporting and Monitoring

a. Private Hospitals

A general outline of current agreements with private hospital providers was provided by D/Health, which noted the intention to bring a Memorandum to Government in September that will include a request for retrospective approval of the separate agreement (Safety Net III) to address capacity issues caused by the HSE ransomware attack. A draft interim report on audit of private hospital claims under the Safety Net II agreement will be shared with PER. The HSE also noted that ED attendances are returning to 2019 levels and the matter of waiting lists will have to be addressed also.

b. PPE

DPER asked for a reconciliation to take account of the Department of Health's IGEES January exercise, for an update on write-offs and stock on hands and for the output of the independent audit report. D/Health said KPMG Audit would be shared with DPER.

HSE advised that the PPE position was stabilising again. However, there are purchases in 2021 including maintaining relationships with indigenous suppliers.

DPER also referred to a HSE Procurement presentation to the Interim Procurement Reform Board with the HSE's self-assessment of procurement performance in 2020, which includes a significant level of non-competitive and non-compliant expenditure. The Board Chairman will be writing to Minister for Public Expenditure and Reform formally drawing the matter to his attention, given its materiality and implications arising in relation to public procurement. This is a matter that may fall to be considered at future HBOG meetings.

c. Consultancies

DPER requested a response to its letter on management consultancies.

d. Mandatory Quarantine

DPER requested an update on this issue. HSE indicated that original contract was for three months with a two month extension now out to tender. It was stated that a proportion of walk-ins were not settling their bills. DPER reiterated the initial agreed position at the outset that the measure was to be cost-neutral for the Exchequer and stressed the importance of minimising any costs.

e. Testing & Tracing (update to €200m YTD spend end-April Flash Report)

DPER asked for an update. HSE advised that there is a material increase in number of tests, 25 to 30k daily, including antigen testing. There is also a surge plan and it is projected that the €650m provision will be fully utilised.

f. Vaccinations (update to €174m to end June)

DPER asked for an update on the Vaccination Programme, including an updated end-year projection incorporating recent activity and decisions re: administering boosters etc. HSE advised that costs will be close to estimate by year end. Changing environment with Government policy and procurement – including minors now under programme and boosters. There is a limited shelf life and the question of supporting the global vaccination effort also arises.

g. Digital Covid Certificate

HSE advised that this will be managed within the overall allocation.

5. HSE Cash v Accruals position (to end year 2020 and to end April)

This issue was dealt with earlier in meeting.

6. Update on Cyber-Attack

HSE provided an update in relation to the impact of the Cyber-Attack and the range of work underway in response. The HSE noted significant progress has been made at 11 weeks after the attack. Work ongoing in relation to recovery and restoration. The HSE provided an update in relation to the potential financial costs including ongoing consultancy costs plus replacement of devices.

7. AOB

No matters were raised under AOB.

DPER asked that all parties work in relation to addressing the outstanding information gaps in line with the Minister's concerns in this regard. It was again noted that a supplementary budget cannot be countenanced this year given the scale of the additional resources provided for health in 2021.