# *Health Budget Oversight Group Meeting Draft Minutes*

*Thursday, 27 January 2022 – 16.00-17.30*

**Health Service Executive TBC:** Stephen Mulvany, Anne Marie Hoey, Colum Maddox, Brian Lee, Triona Graham, Dorothea Dolan, Tim Cummins, Brian Donovan, Martin Quinlivan, Phillipa Withero, Chloe Caffrey, Damien McCallion,

**Department of Health TBC:** Louise McGirr, John O'Grady, Margaret Campbell, Daniel Curry, Claire Doyle, Pat Mullen, Michael O'Leary, Fiona Prendergast, Eleanor Horan, Colin Layde, David Smith.

**Department of Public Expenditure and Reform:** John Kinnane (Chair), Jim Deane, Daniel O'Callaghan, Robert Scott, Patrick Moran, Nicola Fitzpatrick, Niamh O'Reilly, Noel Howard.

**Opening Statement – DPER**

DPER acknowledged the challenges faced and addressed in 2021, including the ongoing challenge of Covid exacerbated by the cyber-attack, and the good levels of cooperation between PER, DoH and HSE. Hope was expressed that the country is entering a new phase of the pandemic and that HBOG can return to a more strategic approach. Reference was made to the unprecedented funding provided for Health in Budget 2022, and the need to manage this appropriately and within allocation. Emphasis was placed on the critical issue of information availability including reporting and reconciliation of working capital (cash and I&E) continuing into 2022.

## 1. Minutes Meeting 25th November 2021

Draft minutes were circulated on Monday 24th January – amendments/corrections to be emailed.

## 2. Update on End Year Position 2021

- DPER noted the 2021 cash position for Vote 38 is closed and asked for the HSE accounts to be finalised as soon as possible.

- DoH noted the 2020 cash surrender to the exchequer which HSE stated may require a revised Letter of Determination for 2021.
- DPER requested additional insights/figures being provided on specific issues, e.g., time related savings, access to care, homecare, and community care.
- HSE replied that this detail is being worked through but is not yet available.
- HSE outlined that from an accounting point of view that there may be a need to amend the 2020 end year position and would report to DOH/DPER once it finalised the details of any such proposal.

## 3. Monthly Reporting to HBOG

All parties agreed the importance of providing clear, timely financial and activity information to facilitate oversight. While the immediate focus is on addressing and resolving short-term issues, the potential for the establishment of a tripartite technical working group was noted. Consideration would be given to the establishment of a technical working group in line with the principles set out in previous correspondence once a Terms of Reference (TOR) was circulated by DOH. It was noted that the focus of HBOG is on a strategic oversight role.

It was emphasised that clarity on baseline reporting needs to happen immediately and should lead to an agreed schedule of reports, including a quarterly forecast from HSE.

- DoH offered to produce draft TOR for the proposed working group.

DPER emphasised the importance of establishing a timeline for providing key information including finalised I&E profiles. HSE stated that, while a draft cash profile was submitted on 31st December 2021, the I&E profile for 2022 will not be available until early March 2022. All parties recognised the requirement to report on key deliverables such as beds and staffing (WTEs).

## 4. Outlook – Covid Expenditure 2022

DPER sought updated projections for Covid expenditure in 2022, recognising the significant uncertainty at this point in time. Further detail forthcoming at next HBOG.

HSE provided an update on Test & Trace and Covid Vaccinations focusing on the issue of capacity and the ability to ramp-up quickly if necessary.

- A medium term vaccination strategy should be agreed by end-February. Likelihood of a 4th Vaccine is uncertain at this point. While overall costs should fall, some costs are fixed.

HSE raised the potential for some temporary Covid measures being retained long-term within the system. The risk of embedding temporary funding measures without detailed consideration and strong justification was noted.

DPER queried whether any loss of income may be reversed due to moving out of the pandemic's current phase. HSE believes there may be some potentially positive financial dynamics here (e.g. increase in private charge income compared to 2021).

Private Hospitals Agreement

DPER requested clarity around the continued use of safety net agreements, the status of relevant sanction and the potential for further private hospital use in 2022.

- HSE confirmed that another safety net agreement (SN4) is being developed.
- HSE confirmed that engagement on this issue with private providers is ongoing. Some discussion followed around the parameters of SN4.

DPER reminded the group of a previous request for any analysis of the safety net agreements re value-for-money or cost-effectiveness. DPER emphasised that such analysis is crucial to inform decision making about the optimal use of private capacity. It was noted that prior-Government consideration was required.

## 5. New Developments Update (Budget 2021 and 2022) - *Note: Due to time pressure, Agenda item 6 was also included here.*

DPER requested the updated position on beds and staffing, along with the likely submission date for the Pay and Numbers Strategy (PNS) for 2022.

- HSE noted the very strong recruitment through 2021, despite the challenges of the pandemic. Also noted the additional recruitment of temporary vaccinators and contact tracers.
- HSE expected the PNS for 2022 to be finalised with DoH in early February.
- The recommendations around Haddington Road Agreement (HRA) hours have not yet been incorporated into the draft PNS.

DPER queried whether the recruitment target for 2022 is likely to be met.

- HSE replied that it is unlikely that the level of recruitment made possible by the funding allocation will be met in 2022, due to labour market constraints.

- DoH raised the issue of reporting in the context of the targets and the outlined recruitment challenges.
- It was noted that if the target is not met this creates savings on recruitment which must be dealt with as the funding is ring-fenced for this purpose.

DPER highlighted the critical requirement to align reporting on staff numbers, beds and expenditure as a baseline. DoH and HSE agreed that this is a central issue for 2022.

## 6. Staffing/Recruitment – end year position 2021 and update on PNS 2022

Agenda item 6 was dealt with alongside item 5, due to time constraints in the meeting.

## 7. AOB

No other items were raised.