Health Budget Oversight Group

Meeting: Tuesday 4th April 2023, 2:30pm

DPENDR, Miesian Plaza

Minutes

1. Minutes from Previous Meeting - 13/03/2023

- DoH provided a small number of minor amendments to the minutes from the previous meeting, which DPENDR accepted.

2. Update on End of Year Expenditure Position – 2022

- The HSE has laid the draft Annual Financial Statements with the Minister for Health in line with requirements. The HSE noted that cash balances in version 2 of the AFS would align with previously communicated amounts (i.e. more in-line with sanction).
- DoH met with the HSE last week to follow up on DPENDR's request for outstanding detail on how the 2022 Supplementary Estimate was allocated, the 2022 year end position and the cash "walk". The HSE stated that a summary note will be provided to DoH in the coming weeks. This will go into detail on the overall issue of cash drawdowns, disbursements and holdings as well as the allocation of the supplementary estimate. A number of issues were highlighted as important including stock adjustments and write-downs, COVID spend and the variances between the supplementary estimate and actual out-turn for key spending lines such as the State Claims Agency, Pensions and Acutes.
- DPENDR noted a number of concerns in relation to this area and reiterated that this analysis has been outstanding for some time. It was noted that further engagement may be needed once the information was received.
- Current COVID expenditure was higher than the forecast at the time of the supplementary estimate – further detail on this issue will be contained in the summary note.
- The HSE clarified that any that dynamics in relation to cash disbursements at the end of 2022 related to 2022 expenditure. It was further clarified that these year-end cash payments did not affect the level of expenditure in the HSE's accounts for December. This issue will also be addressed in the summary note.

3. Update on Latest Expenditure Position - February 2023

- Cash
  - DPENDR enquired as to the cash balance as of the end of Q1 and the HSE confirmed that the cash balance as of 31/03 was €113.6m. This was below the maximum agreed daily holding with DoH of €200m.

- DPENDR queried the level of overspend attributed to electricity and heating as it understood that fixed contracts were in place up to specific months in 2023. HSE noted that some voluntary hospitals did not adopt fixed price contracts in relation to energy. The HSE also reported that there is a substantial price increase in the rate for the new electricity contract from 1 April 2023.

- I&E – Core
  - DoH presented the latest data and information in relation to expenditure at the end of February. DPEDNR raised a number of queries and concerns in relation to the I&E position year to date.
  - On the Acute Core deficit, DoH noted that there is a pay deficit of approx. €55m much of which is attributed to Agency and Overtime.
  - The HSE noted that the costs of emergency department emergency measures are being transacted through the system as of present. There are time lags in reporting on these costs at present.
  - On Acute income, DPENDR raised concerns and queries in relation to profiling and budgeting in this area i.e. the extent to which a profile is set based on likely outturn for the year. The HSE set out some further detail of the different factors at play and committed to providing a note on this issue.
  - DPENDR queried the profiling of budget both within central lines and in terms of timing throughout the year. The HSE provided some clarification in relation to the process of budget allocation and management throughout the year. It was noted that the current deficit position in the acute line may be overstated somewhat as a result.
  - DPENDR requested information on agency and overtime expenditure and the level of spend year to date, which DoH committed to providing.
  - There was a discussion in relation to Haddington Road Hours, the underlying assumptions and the impact of these hours on expenditure.

- I&E – Covid
  - DoH provided an overview of Covid expenditure to the end of February.
  - DPENDR raised a number of concerns on the level of expenditure in acute and community settings and some further detail was provided by DoH/HSE. It was noted that an allocation was provided in line with what was requested by DoH and it is a matter for DoH/HSE to ensure spend is within allocation. DPENDR queried overall work to ensure spend is reducing in line with the public health context.
  - DoH noted that a new reporting mechanism would be provided to DPENDR, which will provide a further breakdown of COVID expenditure by service area.
  - The HSE indicated that there may be some issues in the coding of COVID expenditure in acute and community settings.

4. Covid Acute and Community Expenditure - Update on On-Going Work and Timelines for Completion

- DPENDR requested an update on actions being taken by DoH and the HSE in relation to COVID expenditure in Acute and Community settings.
- DoH and the HSE have committed to a workplan to assess potential options for reducing such expenditure over the next 3 months.
- DPENDR noted its concern in relation to the timeframe of this work due to the urgency of mitigating any further expenditure overruns in this area. It requested that efforts be made to conclude this work more quickly with an initial early focus on actions to ensure expenditure is delivered within allocation.

5. Update on Expenditure Management Actions by Department of Health and HSE

- DoH highlighted that they have identified areas in which further work is being undertaken jointly by the DoH and the HSE in order to improve expenditure management.
- It was stated that formal processes are being put in place to make progress in this area.
- DPENDR noted that it was important that such work was prioritised and concluded as quickly as possible. A note outlining the process and timelines was requested. DPENDR noted that it is incumbent on DoH and the HSE to ensure that health services are planned, delivered and managed within the agreed allocation for 2023.

6. AOB

- There was a discussion on Ukraine expenditure and DoH stated that further engagement may be required on the composition of the allocation.
- There was a request that the HBOG minutes would be distributed in a timely manner after each meeting.
- DoH noted that the schedule of reporting was in place for 2023, which illustrates reporting timelines from HSE to DoH and also DoH to DPER.
- DPENDR enquired as to the status of the outstanding 2023 Pay and Numbers Strategy, which DoH highlighted is currently being finalised.
- DPENDR sought an update on the Bed Census, the HSE are to provide further detail.

Actions:

The following actions were agreed:

- **Minutes** – DPENDR will issue the minutes in a timely manner and they will contain actions arising from the meeting.

- **Note on End Year Position** - DoH and HSE will revert by Tuesday 11th of April with a date by which the summary note on the supplementary "walk", the cash reconciliation and the 2022 end year position will be provided with a view to facilitating a meeting to discuss this document as soon as possible.
- **Expenditure Management Work** - DoH will revert with a note on process and timelines for actions to address expenditure concerns in relation to Covid expenditure in acute and community settings and overall expenditure management areas.
- **Specific Notes** – Notes will be provided by DoH and HSE in relation to the level of expenditure to date in 2023 on agency/overtime, acute income and the status of the Bed Census.
- **HRA** - DPENDR will consult on HRA costings with relevant colleagues as appropriate on the basis for calculations and the HSE will seek to provide further detail on quantified impacts to date.