Health Budget Oversight Group

Meeting: Tuesday 2nd May 2023, 3:30pm

DPENDR, 7-9 Merrion Row - Thekla Beere

Minutes

1. Minutes from Previous Meeting - 04/04/2023

- The HSE provided feedback regarding the use of narrative and context within the draft minutes.
- DPENDR agreed to reflect on the use of same within the draft minutes and revert accordingly.
- On the status of the Bed Census, this is with DoH and being cleared internally, prior to being released imminently to DPER.

2. Update on End of Year Expenditure Position – 2022

- DPENDR enquired as to the outturn of the 2022 supplementary estimate. Concerns were raised by DPENDR about a number of end year accounting issues (e.g. the HSE draft Annual Financial Statements which includes a significant receivable arising from the revised LOD) and also regarding a virement issue from the SCA to COVID, among others. DPENDR enquired as to the possibility of further methods to ensure that estimations for SCA expenditure are more accurate, given its underspend in 2022.

- DoH aims to revert on the supplementary estimates issues as requested with more details on DPENDR queries. DoH noted the concerns raised regarding the virement. DoH pointed to the need for these to be closed before the C&AG audit which arises shortly.

- The Appropriation account shows that cash was drawn down but the reasons for same will have to be examined further. The SCA provides its own estimates on the basis that it is an independent body thus DoH relies on SCA forecasting in this regard.

- It was agreed by DOH and the HSE that there could be a look-back exercise in order to enquire about the estimates process as well as engagement with the SCA in relation to future how future estimates are drawn up (forecasting, drawdown etc).

3. Update on Latest Expenditure Position - February 2023

I&E – Core

- DoH noted that the bulk of the core deficit year to date was within the Acutes sector.
- DPENDR noted the recent Cash Acceleration Request (CAR), as well as its concerns about the late nature of the request and requested much more engagement by DoH prior to approving CARs. DPENDR enquired if a forecast for end year 2023 outturn was available, as well as a progress update on expenditure management programmes.
- DoH shared its current provisional estimate of year end outturn. HSE stated that the estimate provided by DoH was based on run rates and was a lower estimate than the HSE's. In addition, it was noted that the HSE's first forecast based on Q1 expenditure would be available to the DoH by May 26th.
- DoH outlined a number of expenditure management/efficiency programmes that are underway and under development/scoping, including working groups on specific expenditure issues such as the SCA and pharmaceutical expenditure, among others.

I&E – Covid

- DPENDR enquired as to COVID expenditure, which is currently in deficit and asked both DoH and HSE as to how this deficit will be managed.

- HSE informed that the number of COVID patients has been rising, and such patients potentially stay in hospital up to twice as long as patients with other diseases. The first meeting between HSE and DoH on ways to reduce COVID expenditure has taken place and there are two meetings left. There has been no full agreement between the HSE and DoH on a list of timely costed actions.

- A list of expenditure actions will be drafted up over the course of these meetings. Feedback from the first meeting was due to be provided to DPENDR the day after this HBOG.

4. Acute Hospitals Expenditure – Q1 2023

- DPENDR noted its concerns as to the significant levels of overspend experienced in the Acutes sector for the first quarter of 2023. It then enquired as to the performance framework for Acutes to ensure spending within profile, and what is being done to ensure that this sector is brought back within its current allocation.

- The HSE has informed HBOG that these overspends stem from the individual hospital level and that the causes vary. Providing one Hospital Group as an example, overspends can be attributed to the use of private hospitals, as well as the growth rate of staff, among other

drives. “Deep Dives” are carried out by the HSE on some hospitals to determine the drivers of overspends.

- HSE noted that across hospitals unfunded pay is an issue and work is underway to identify the level of unfunded pay costs within the service. It further informed that significant changes have occurred in transitional care, which it believes will drive efficiency and reduce costs. On non-pay areas the winter plan, proposed in-year plan, management consultancy and heat, light and power were discussed at a high level.

- DPENDR queried if the in-year plan contained some measures that could potentially be seen as New Developments, which in turn would require further consultation.

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

- DPENDR has proposed that in the absence of a clear list of measures for expenditure management (an action that was agreed at the previous HBOG), that another HBOG would need to be scheduled in 2 weeks time.

- DoH confirmed that there would concrete measures in relation to Acute and Community expenditure management. DoH agreed to update DPENDR on relevant expenditure management projects and the intended benefits arising from them, but pointed to the challenges in delivering significant savings in 2023.

6. AOB

- DoH committed to providing material on Ukraine costings after HBOG and before Cabinet Committee.
- DoH raised the issue of the DCEDIY transfer of functions.

Actions:

The following actions were agreed:

- DoH to share Bed Census with DPENDR.
- DoH to commence look-back exercise of SCA in order to enquire about estimate arrived at as well as engagement with the SCA in relation to the overall estimates process (forecasting etc).
- DoH to share feedback from the meeting on Covid expenditure management with DPENDR.
- DoH agreed to update DPENDR on relevant expenditure management projects and intended benefits.
- DoH committed to providing material on Ukraine costings after HBOG and before Cabinet Committee.

  DPENDR committed to contacting Central Section in relation to the DCEDIY transfer of functions.