



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Joint Committee on Health

Meeting

Wednesday 11th December 2019

Opening Statement

by

Mr. Paul Reid

Chief Executive Officer

Health Service Executive

Good Morning Chairman and members of the committee. Thank you for the invitation to attend the committee meeting. I am joined by my colleagues:

- Ms. Anne O Connor, Chief Operations Officer
- Dr. Colm Henry, Chief Clinical Officer
- Mr. Liam Woods, National Director Acute Operations

Financial Overview

The latest financial position, at the end of the 3rd quarter, shows a variance from budget, including 1st charge, of €319m or 3%. Of this, €119m or 37%, is in respect of our operational service areas. The comparable figure for the same period in 2018 was almost 100% higher at €636m, with €507m or 80%, in the operational service areas. Pension and demand led areas account for €200m of the variance as at September 2019.

A key priority for the HSE is to maximise the provision of safe services to the people we serve, whilst operating within the funding provided to us. This continues to be a significant challenge in the context of the ever increasing level of demand for our services. This demand is influenced by factors such as a growing population, an aging demographic, changes in technology and clinical practice, as well as on-going societal and economic change.

We have continued with our intensive focus on current year financial management and financial planning for 2020. Senior managers across the organisation have been engaging with us regarding activity and expenditure and the related challenges of operating within available resources.

The greatest cost pressures within our operational services are in respect of providing residential placements to people with an intellectual disability and the provision of specialist emergency care within the acute hospital setting, particularly in the context of an aging population with increasingly complex needs.

The costs within our pensions and demand led areas are in the main driven by policy, legislation, demographics and the macroeconomic environment and are not generally amenable to normal in year financial management. State Claims Agency reimbursements are also within this area and there is a significant and on-going focus on mitigating, in so far as is practical, the underlying risks and issues which give rise to claims.

A key focus of our on-going financial management efforts has been on improving compliance with our pay and staffing controls, including WTEs, agency and overtime. Although staffing levels will increase again in 2019, any increases must be managed in a way that is both planned and affordable. This necessary adjustment to the controls on pay and staffing is proving difficult but it must become part of our normal way of working. I acknowledge that this is a challenging process but I and the Board are committed to ensuring that there is an improved culture of delivery within the funding provided by the State. I fully believe that doing this will put us in a stronger position to secure investment for the future, which will ultimately be in the best interest of our service users and their families.

My monthly financial management meetings with CHO Chief Officers and Hospital Group CEOs will continue to year end. All areas are clear about their allocated financial limits and performance expectations up to year end in order to mitigate in so far as practical any deviations from those limits, thereby reducing the extent of any challenge to be dealt with in 2020. The discipline of these monthly financial meetings will continue throughout 2020.

The HSEs National Service plan for 2020 was adopted by the Board and submitted to the Minister for consideration. The approval process is well advanced and I expect that the plan will be published within the next week.

Winter Planning:

Following on from the briefing provided to the committee in September of this year on Winter Preparedness Planning, the HSE has prepared a detailed Winter Plan which was launched in November. The plan clearly reflects the year on year growth in demand for unscheduled care services that is growing at a rate of in excess of 5% in attendances and 2.7% in admissions over a mean annual population growth of 1.7%.

In response to this increased demand, an addition €26m was provided to year end to fund a combination of nationally and locally managed initiatives aimed at improving overall patient flow from community, through the acute hospital and back into the community. €19.2m of this funding is specifically focused on egress initiatives including, Home Care Packages, Improving Access to Nursing Home Support Scheme (Fair Deal) and Transitional Care Beds for patients awaiting nursing home places. The initiatives have in fact been in place since October in preparation for the anticipated winter surge and have enabled the system to respond.

9 local Winter Action Teams are in place and are co-chaired by the relevant Community HealthCare Organisation Chief Officer and their Hospital Group Chief Executive colleagues. The balance of €6.8m has been distributed on the basis of population associated with each of the Winter Action Teams and this is funding initiatives such as;

- Enhanced Community Intervention Teams
- Additional Frailty Intervention Therapy Teams (FITT)
- Aids and Appliances to assist discharge
- Enhanced Triage capability
- Additional Bed Capacity in Private Facilities

The HSE at a national level and at a Winter Action Team level are also engaged with the NTPF in providing enhanced access to diagnostics which will improve overall patient experience times and alleviate pressure in the ED and wider hospital services.

Sláintecare:

The HSE and the Department of Health continue to engage and work collaboratively on the implementation of Sláintecare. A key element of this work is service redesign to plan for the implementation of regional health and social care delivery structures.

In parallel with this work, I have also commenced a review of the HSE staffing and structures at the 'centre' of the organisation as part of the preparatory work to inform the service redesign for the HSE to become a more strategic and patient-focused 'national centre'.

Employment Levels / Recruitment:

At October 2019, our overall employment levels stand at 138,080 personnel, equating to 119,473 Whole Time Equivalents (WTE). This represents a total growth in our employment levels this year of +1,616 WTE (1.4%) and year on year growth of +2,562 WTE. Our continued growth is important in the context of our overarching Pay and Numbers Strategy. We have and continue to fill approved and funded development posts in order to maintain and enhance key services for patients and their families. In parallel we are working to ensure that levels of agency, overtime and pay costs, which reached unaffordable levels by the end of 2018, are brought within what is affordable and sustainable during 2019.

We have continued to grow our workforce, and year on year the largest of this growth in WTE terms, is in our staff categories of Nursing and Midwifery and Patient and Client Care (predominantly Health Care Assistant Staff), both showing growth of +650 WTE and +646 WTE respectively.

In percentage terms, our largest year on year workforce growth is in our Medical and Dental staff category, which has seen a 3.7% increase since October last year. Similarly it is also the largest staff category growth in percentage terms year to date at +3.4%. Notably within these figures, our Consultant workforce has grown by +142 WTE year on year, with +135 WTE of this increase since January 2019.

As we draw to a close in 2019, we will continue to proceed with approved and funded development posts in tandem with the requirement to keep within an affordable funding level that is sustainable both in 2019 and 2020.

This concludes my opening statement.

Thank you.