

# DÁIL ÉIREANN

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## AN COISTE UM CHUNTAIS PHOIBLÍ

## COMMITTEE OF PUBLIC ACCOUNTS

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*Déardaoin, 15 Deireadh Fómhair 2020*

*Thursday, 15 October 2020*

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The Committee met at 11.30 a.m.

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### MEMBERS PRESENT:

Deputy Colm Burke,	Deputy Marc MacSharry,
Deputy Matt Carthy,	Deputy Imelda Munster,
Deputy Cormac Devlin,	Deputy Catherine Murphy,
Deputy Alan Dillon,	Deputy Verona Murphy.
Deputy Neasa Hourigan,	

DEPUTY BRIAN STANLEY IN THE CHAIR.

**Mr. Seamus McCarthy:** (An tArd Reachtaire Cuntas agus Ciste) called and examined.

## **National Treatment Purchase Fund 2018 - Financial Statement**

### **Special Report 110 the Comptroller and Auditor General: Nursing Homes Support Scheme**

**Mr. Liam Sloyan** (*Chief Executive Officer, National Treatment Purchase Fund*) and **Mr. John Horan** (*Chairman, National Treatment Purchase Fund*), called and examined.

**Chairman:** I welcome the representatives from the National Treatment Purchase Fund, NTPF, and thank them for the briefing material they have provided. We are joined remotely by the Comptroller and Auditor General, Mr. Seamus McCarthy.

Today we will examine the NTPF's financial statement for 2018 and the Comptroller and Auditor General's special report 110 on the nursing homes support scheme, also known as the fair deal scheme. This scheme has now been in operation for more than ten years. Our first engagement on it was with the HSE and the Department of Health on 1 October.

With regard to the public health guidelines, we are joined in person by NTPF representatives Mr. Liam Sloyan, chief executive officer, Mr. John Horan, chairman, and Mr. Seán Flood, financial director. We are joined remotely by Ms Fiona Walsh, policy specialist. I remind all attendees to ensure that their mobile phones are switched off. I ask that members and witnesses would remove their masks when speaking in order to ensure that they can be heard. When members are leaving or taking their seats, I remind them that there is a sanitising area.

I advise our guests that, by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. If they are directed by it to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable. Members are reminded of the provisions of Standing Order 218 that the committee shall refrain from inquiring into the merits of a policy or policies of the Government or a Minister of the Government or the objectives of such policies. Members also are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable. While we expect witnesses to answer questions asked by the committee clearly and with candour, they can and should expect to be treated fairly and with respect and consideration at all times in accordance with the witness protocol.

I invite the Comptroller and Auditor General to make his opening statement.

**Mr. Seamus McCarthy:** The NTPF board was established in May 2004 as a mechanism to manage annual funding earmarked to respond to lengthy waiting lists for inpatient hospital treatment. The board's original primary functions were to arrange with potential service providers for the provision of hospital in-patient treatment to patients who were a long time on

public hospital waiting lists, and to collect, collate and validate information on persons waiting for inpatient treatment in public hospitals. The board's functions were extended in 2009, when it was given responsibility for negotiating and agreeing pricing arrangements with private and voluntary nursing homes under the nursing homes support scheme, and extended again in 2012, when it was tasked with the collation and publication of information about outpatient waiting lists.

As is evident from the diagram, which can now be brought on screen, expenditure by the board has fluctuated significantly in recent years, mainly reflecting the level of resources made available to the board to purchase treatment for waiting list patients. The funding is provided in the form of a grant from the health Vote.

The board's overall expenditure in 2018 was €53.4 million. This comprised: payments to private hospitals totalling €31.4 million; payments to public hospitals of €17.4 million; and administration expenses of €4.6 million, covering all other functions. The board reported a surplus of €1.6 million in 2018, bringing the accumulated surplus to €7.6 million. At the end of the year, the board had cash balances of €23.3 million. Much of this was required to meet accrued expenses of €15.5 million in respect of treatments delivered to patients before the end of 2018 but not yet invoiced for collection by the treating hospitals.

The legislation provides for the Minister for Health to direct the format of the board's financial statements. As with a number of other health sector bodies, the Minister has directed that the statements should comply with generally accepted accounting practice, except in relation to pension liabilities. As a result of the direction, the board accounts for staff pensions as the payments arise instead of recognising the liabilities when they are incurred. In the circumstances, I am obliged by international auditing standards to give a qualified audit opinion. However, it is important to note that this qualification is only in relation to pensions accounting. In all other respects, the financial statements give a true and fair view of the board's transactions.

Turning now to Special Report No. 110. As mentioned previously, the board's role under the nursing homes support scheme is to manage the process for negotiation of weekly charge rates for care, and to enter into pricing agreements with the private and voluntary nursing homes. It is worth noting that the board is not itself involved in financial transactions with the nursing homes.

Each agreement is with an individual nursing home and is applicable for a specified period, which varies from home to home. For example, the average agreed duration of agreements put in place in 2017 was around two and a half years. Although the negotiation is for a maximum weekly charge rate, the reality is that the agreed rate is standard for all residents supported by the scheme.

In 2018, the agreed weekly charge rate for private and voluntary nursing homes ranged from €765 to €1,325. The average weekly charge rate was €968, which is equivalent to over €50,000 a year. The HSE paid an average of around two thirds of the weekly cost, with the residents paying around one third. In addition, residents incurred charges for supplementary goods and services provided by, or facilitated by, the nursing homes.

When the nursing homes support scheme commenced in 2009, the board offered each nursing home the average weekly price it had been charging on the open market. This was a short-term measure to prevent delays in commencement or capacity shortfalls but, in many cases, the initial prices have influenced subsequent negotiations. Prior to commencing negotiations,

the board's negotiators review certain financial information provided by a nursing home. This typically includes the home's occupancy rate, weekly unit cost, annual turnover, profit and any finance costs.

The board has stated that it also considers criteria such as: the costs reasonably and prudently incurred by the nursing home and evidence of value for money; the price previously charged by the nursing home; and the local market price. It also takes account of any budgetary constraints on the scheme, along with the obligation of the State to use resources responsibly. While the average dependency levels of a nursing home's residents is not formally a criterion in the negotiation, the board informed us that the general dependency level does form part of the discussions during the price negotiation. However, we found that the board does not have a model that explains how these various criteria are weighed and combined, making it unclear as to how a final charge rate is arrived at for an individual home.

The examination found that the board did not have internal written procedures or a guidance manual for its negotiators, relying instead on on-the-job training. Examination of a sample of files found an absence of documentary evidence of the items discussed in some negotiations. It is important that the board maintains adequate records to enable evaluation of the key decisions made during a negotiation.

The negotiation process does not always result in an agreement. In this event, the board advises the nursing home of the proposed final offer in writing and that a review process is available. Where required, the CEO of the NTPF carries out these reviews. We found that since 2014, the CEO had completed an average of just two such reviews per year.

Pending the outcome of a review, the NTPF may offer the nursing home an extension to the deed of agreement at the current price for a period of up to three months, which may be repeated where the negotiation becomes protracted. The examination found that the board does not generate management information on the factors giving rise to protracted negotiations, or the number or frequency of contract extensions granted in these circumstances.

Finally, following a recommendation of a Department of Health review of the scheme in 2015, the board commissioned an independent review of the charge rate negotiation system. The review report was presented to the Minister in May 2019 but has not yet been published.

**Chairman:** I ask Mr. Sloyan, on behalf of the NTPF, to make his opening statement. He is very welcome this morning.

**Mr. Liam Sloyan:** If it is okay with the committee, I shall ask our chairman to deliver the opening statement, which is what we planned.

**Mr. John Horan:** I thank the Chairman and members for the invitation to meet the committee today. We welcome the opportunity to discuss the report by the Comptroller and Auditor General on the nursing homes support scheme and the NTPF's annual financial statements for 2018.

With regard to the report of the Comptroller and Auditor General on the nursing homes support scheme, I would begin by noting that the NTPF has been given a very specific function in respect of the scheme as set out in the Nursing Homes Support Scheme Act 2009. Under the Act, the NTPF has been designated, by the Minister for Health, as the body authorised to negotiate with proprietors of registered nursing homes to reach agreement on the maximum price that will be charged for the provision of long-term residential care services to fair deal residents.

It is important to note that the NTPF's function is to negotiate and reach agreement rather than procure or determine a price. The nature of negotiation, therefore, has to be considered. For example, negotiation cannot be bound by pre-determined or descriptive models as to do so would be to ignore the statutory mandate to negotiate. Negotiation also requires that the NTPF recognises the importance of confidentiality and commercial sensitivity in getting value for money for the State, on the one hand, and respecting the right to privacy of each individual nursing home, on the other hand.

As members will have read in our more detailed submission, the NTPF negotiates in accordance with four published criteria, as referred to by Mr. McCarthy. In order to do that we consider submissions from nursing homes in respect of these criteria and the views of the nursing home in respect of the focus that should be applied to each criterion in negotiations.

The NTPF has conducted these negotiations each year since the introduction of the scheme in 2009. Looking particularly at the past five years, the average rate agreed with nursing homes has increased by around 2.5% per annum. At the same time the number of nursing home beds has increased annually by around 600 beds as nursing homes expand or as new nursing home providers continue to enter the sector. Currently, there are 437 nursing homes, with 25,452 beds, that have agreements with the NTPF.

As an organisation, we thank the Comptroller and Auditor General for his report and note the professionalism of his team in carrying out the review. As always, the comptroller's work has provided a useful input and advice, which we are more than happy to action. Specifically, the report contains two recommendations for the NTPF.

The Comptroller and Auditor General initially references many of the documents used by the NTPF in its work. We acknowledge that further work can be done in terms of combining those documents into an internal guidelines and procedures manual, keeping it under regular review and adding to it or amending it as required. The documents are used by the NTPF in its work. Work on this issue is well advanced. I note that the manual will be a living system and there will be a need to continue to keep it under review and up to date whenever circumstances change.

The second recommendation of the Comptroller and Auditor General is that the NTPF should consider capturing management information on those cases that fail to reach agreement at the end of the negotiation process. As he pointed out and is worth noting, that is a very infrequent occurrence. Nevertheless, we thank him for the recommendation. I advise him and the committee that the matter has been addressed.

On our annual financial statements for 2018, the NTPF has seen increases in its budget and activity in recent years, as shown by Mr. McCarthy. It grew from €5.1 million in 2016 to €55 million in 2018 and, as we learned on Tuesday, has gone up to €130 million in budget 2021. The increased funding, particularly in 2017 and 2018, required rapid increases in staffing levels and changes in work processes and systems. The work carried out then has had a sustained and positive impact in terms of reducing the number of people waiting for surgery or procedures up to the onset of the pandemic earlier this year. Prior to the NTPF recommencing the arrangement of treatments in mid-2017, the number of people waiting for an appointment for surgery was increasing at a rate of 1,000 per month, peaking at 86,111 in July 2017. Through the combined work of the NTPF and colleagues throughout the health system, the number of people on this list began to reduce as the NTPF's work began to impact. By the end of 2018, the year under review today, the work of the NTPF had contributed to a reduction of 15,900, or 18%, in the

number of patients on the active waiting list for surgery and procedures and a reduction of 17,700, or 31%, in the number of patients waiting more than three months.

In addition to our ongoing work at the time, several new initiatives were undertaken by the NTPF, including the development of the first IT system capable of tracking patients across all public and private hospitals in the State and the establishment of a central unit to manage the administrative validation of waiting lists across all hospitals.

In conclusion, we are satisfied that the funding provided to the NTPF in 2018 was effectively and efficiently used for the intended purposes and that it has been fully accounted for in the financial statements. We are particularly pleased that through this work, thousands of patients have been enabled to receive their treatments earlier than would otherwise have been the case. We thank the committee for inviting us to appear and we look forward to the discussion.

**Deputy Imelda Munster:** I thank Mr. Horan for his opening statement. I wish to touch in particular on the nursing homes support scheme and the report of the Comptroller and Auditor General. I wish to tease out some of the issues arising from it. Why are there no internal written procedures or a guidance manual for staff tasked with the negotiating process?

**Mr. John Horan:** Before I hand over to Mr. Sloyan, I should state that although I did not wish to take up the time of the committee by mentioning it, our broader submission references the sort of documents that are used. These are also referenced in the report of the Comptroller and Auditor General. They include application forms and processes as well as an invitation to negotiate pack. There is a whole pack of documentation. On the published criteria we have for negotiation, there are financial analysis spreadsheets and a published review process. We have weekly team meetings at which these are reviewed. I ask Mr. Sloyan to provide the Deputy a more comprehensive response.

**Mr. Liam Sloyan:** That is the point. There is reference in the report of the Comptroller and Auditor General to several documents that are used by our team in the negotiations. We accepted the recommendation of the Comptroller and Auditor General that it would be useful to compile all of these documents into a single manual for our staff, keep it under review and ensure it is up to date and has all the documentation that is needed.

**Deputy Imelda Munster:** That is fair enough. I note that the submission states the NTPF will start doing that, but for 11 years it has not been done.

**Mr. Liam Sloyan:** There is documentation.

**Deputy Imelda Munster:** There is some documentation but-----

**Mr. Liam Sloyan:** There is quite a bit of documentation.

**Deputy Imelda Munster:** The submission states with regard to the report of the Comptroller and Auditor General that all negotiation details were not recorded on paper file. There are three regional contract managers who had access to benchmarking information that is to be considered in preparation for negotiation. Of what does that information consist?

**Mr. Liam Sloyan:** Some negotiations are protracted and detailed but some other negotiations-----

**Deputy Imelda Munster:** I am asking about the negotiations that are not protracted or detailed.



**Mr. Liam Sloyan:** -----are very straightforward.

**Deputy Imelda Munster:** What does the benchmarking consist of for the latter category of negotiations?

**Mr. Liam Sloyan:** There is a full financial analysis of each nursing home. There is a spreadsheet we use to do that analysis. Every nursing home submits its financial information and it is included in there and analysed by our team. That happens all the time.

**Deputy Imelda Munster:** Where is that information?

**Mr. Liam Sloyan:** It is in our systems.

**Deputy Imelda Munster:** The Comptroller and Auditor General can correct me if I am wrong, but I can see no evidence to prove that-----

**Mr. Liam Sloyan:** That spreadsheet was-----

**Deputy Imelda Munster:** -----the report of the Comptroller and Auditor General-----

**Mr. Liam Sloyan:** Sorry, the spreadsheet is referenced in the report of the Comptroller and Auditor General. I am unsure whether I can find the reference.

**Deputy Imelda Munster:** The benchmarking information is referenced.

**Mr. Liam Sloyan:** Yes.

**Deputy Imelda Munster:** I ask the Comptroller and Auditor General to clarify that.

**Mr. Seamus McCarthy:** It is referenced in the report at paragraph 252. The benchmarking information is available. The point we are making in that paragraph is that some of the files contain detailed records of what information was accessed-----

**Deputy Imelda Munster:** But others do not.

**Mr. Seamus McCarthy:** -----but other files did not contain that information. That is the inconsistency.

**Deputy Imelda Munster:** Why is it that some files contain the information but others do not? Surely, 11 years in, there would be a scheme whereby all of this information is provided for and included in files. What reason is there for some files not to have any of this information?

**Mr. Liam Sloyan:** It is important to remember that this relates to a negotiation process and we must operate on that basis. Some negotiations are very straightforward, but others are protracted. When there is a protracted negotiation, there will be more on the file than when there is for a negotiation where we have done our benchmarking and make an offer which is accepted.

**Deputy Imelda Munster:** In the context of the NTPF's record keeping process in general and for transparency across the board, why would the NTPF not have that information and keep it on file even in the case of straightforward negotiations? Is there a reason for that?

**Mr. Liam Sloyan:** I think it would be-----

**Deputy Imelda Munster:** Does Mr. Sloyan agree it is a weakness?

**Mr. Liam Sloyan:** There is a benefit in noting that there was a discussion and a straightforward negotiation, and keeping that on file. The differing levels of information held on file reflect the differing levels of complexity of negotiations that happen. They vary considerably. There is a reference to handwritten notes being kept in some cases but not in others. What can happen in some cases is that the follow-up correspondence with the nursing home can reflect the discussion at the meeting. That is often the way I record what happens when-----

**Deputy Imelda Munster:** Does Mr. Sloyan intend to correct this practice and ensure that all of the information is recorded in the files?

**Mr. Liam Sloyan:** Yes. The important thing for us to do to address this issue is, in cases where the negotiation is straightforward, to note that in order that it can be seen as an explanation for the-----

**Deputy Imelda Munster:** Would the NTPF not note the content of the negotiation and keep that in the file?

**Mr. Liam Sloyan:** Absolutely. There is a quite a bit kept on the file and there is quite a bit referenced in the documentation.

**Deputy Imelda Munster:** In some of it there is nothing, however.

**Mr. Liam Sloyan:** No. There is always a file-----

**Deputy Imelda Munster:** However, not all the information is in it. Will that be corrected?

**Mr. Liam Sloyan:** Where there are instances where a negotiation is not complex and an offer is made and accepted, which would be recorded in the deed of agreement which would go out to the nursing home, it can be recorded separately that any meeting essentially reflected that as well.

**Mr. John Horan:** I do not want to put words in the Comptroller and Auditor General's mouth - he will not allow me anyway – but the thrust of his recommendation was that the documentation could be better combined into an internal guidelines and procedures manual. That is what we are doing. We are trying to ensure it is done in an uniform way rather than otherwise.

**Deputy Imelda Munster:** Piecemeal or whatever. It is sort of a weakness insofar as the NTPF is bringing this about in a uniformed way 11 years into the process and in response to the Comptroller and Auditor General's report.

The maximum price can be charged within scope care components for residents supported under the scheme. Does the maximum price apply to high-dependency scheme residents?

**Mr. Liam Sloyan:** Yes.

**Deputy Imelda Munster:** Is there an agreed minimum price?

**Mr. Liam Sloyan:** There is no agreed minimum price.

**Deputy Imelda Munster:** Why is that?

**Mr. Liam Sloyan:** There is no agreed minimum price because the legislation provides that we negotiate and agree a maximum price.



**Deputy Imelda Munster:** If the maximum price for a scheme resident takes on board high dependency, and additional charges cannot be imposed on that, does it preclude the NTPF from bringing in a minimum price?

**Mr. Liam Sloyan:** Like any State agency, we can only do what we are empowered to do under the legislation.

**Deputy Imelda Munster:** Does the legislation preclude the NTPF bringing in a minimum price?

**Mr. Liam Sloyan:** If the legislation does not give us the power to do it, then we are precluded from doing it.

**Deputy Imelda Munster:** Will the Comptroller and Auditor General clarify that point?

**Mr. Seamus McCarthy:** Yes. What we found was that while the negotiation is for a maximum price, it in fact becomes the standard price. For anybody who is resident in that nursing home, the payment made to it reflects that maximum price. There is no minimum or maximum. Everyone is faced with the same charge for the nursing home. It does not reflect different levels of dependency.

**Deputy Imelda Munster:** Would the legislation preclude the nursing home from having a minimum price if there is a maximum price? Is there anything to stop it, given the level of dependency. The maximum price appears to be the set price now charged.

**Mr. Seamus McCarthy:** It becomes standard.

**Deputy Imelda Munster:** Could there be a minimum price?

**Mr. Seamus McCarthy:** The NTPF would be better placed to comment on that. To me, the idea of setting a maximum price is price capping. There would not be anything to prohibit a negotiation for lower prices. That is not the way the legislation is set up, however. The NTPF is doing what the legislation requires.

**Mr. John Horan:** On the point about different levels of dependency, within any one nursing home, one will have people at a lower level of dependency and others at a higher. For people who enter a nursing home at a lower level of dependency, over time it will increase.

**Deputy Imelda Munster:** That might not always be the case, however.

**Mr. John Horan:** Generally, there is a mix. What the price-----

**Deputy Imelda Munster:** Is it the case that the maximum price has now become the set price?

**Mr. John Horan:** The price that we negotiate becomes the maximum at which the nursing home is permitted under legislation to charge a fair deal resident.

**Deputy Imelda Munster:** Is it correct that the dependency levels, general or otherwise, are discussed during the price negotiations?

**Mr. Liam Sloyan:** Yes, as well as costs reasonably incurred and value for money. The nursing home would normally make a submission on the level of dependency and point to that as being the basis for the costs it incurred.

Essentially, the nursing home would make a submission on any of the criteria we have published and of which it is aware. We would have regard to that. That would include dependency.

**Deputy Imelda Munster:** Is the NTPF aware of the five nursing homes in the Comptroller and Auditor General's report which included provision for possible increases in charges if residents' level of dependencies changed?

**Mr. Liam Sloyan:** Yes.

**Deputy Imelda Munster:** Is the NTPF also aware that the nursing homes use a single form of contract for non-scheme and scheme patients?

**Mr. Liam Sloyan:** Yes.

**Deputy Imelda Munster:** We know that if the level of dependency of a non-scheme patient changes, the price can then increase. We know, however, that cannot happen in the case of a scheme patient. As there is a single form contract for both types of patients, then the nursing home could increase charges for a non-scheme patient if there is a change in the level of dependency. Any court of law will state that a contract is what the parties involved agreed to.

**Mr. Liam Sloyan:** The contract is subject to the law.

**Deputy Imelda Munster:** Yes. The single form contract allows such ambiguity that legally the nursing home would not be breaking the law because, say, a family signed the contract which stated additional charges.

**Mr. Liam Sloyan:** I would have serious concerns if any nursing home increased the charges.

**Deputy Imelda Munster:** Yes but Mr. Sloyan's concerns are not that serious when it comes to the fact that there is one single form of contract. Should the NTPF have flagged that there should be two separate contracts to prevent such a scenario?

**Mr. Liam Sloyan:** The Competition and Consumer Protection Commission looked at the contracts for nursing homes two years ago.

**Deputy Imelda Munster:** The NTPF has the statutory responsibility for negotiating contracts. Would it not see it as its role to insist nursing homes have two separate contracts, one for scheme and one for non-scheme residents to ensure such a scenario does not occur?

**Mr. Liam Sloyan:** Our function is not to oversee the contracts with residents. Our function is solely to agree the maximum price they may charge. Both HIQA and the Competition and Consumer Protection Commission have roles regarding this.

**Deputy Imelda Munster:** Does Mr. Sloyan agree there should be two single contracts?

**Mr. Liam Sloyan:** I would agree with anything that brings maximum clarity to this.

**Deputy Imelda Munster:** Would he propose that or insist on that in negotiations?

**Mr. Liam Sloyan:** The nature of the contracts is a matter for other State agencies. They will be able to look at them.

**Deputy Imelda Munster:** The NTPF is the one directly negotiating with the nursing homes. Does Mr. Sloyan see it fit to advise that there would be two separate contracts, one for scheme

patients and another for non-scheme patients?

**Mr. Liam Sloyan:** We are the ones directly negotiating with the nursing homes with regard to the maximum price they would charge.

**Deputy Imelda Munster:** Mr. Sloyan is going around in circles, Chairman.

**Chairman:** The question has been asked directly. Will you give the Deputy an answer before we move on to the next speaker?

**Mr. Liam Sloyan:** I think they are matters for other State agencies, both HIQA and the Competition and Consumer Protection Commission.

**Deputy Imelda Munster:** Mr. Sloyan is not bothered about it then.

**Mr. John Horan:** Just to clarify-----

**Deputy Imelda Munster:** Mr. Sloyan has more or less said he is not interested in having two separate contracts.

**Mr. John Horan:** No. It is a very net point and it goes back to my opening statement in which I referred to the specific function we have under the legislation. For us to stray outside of that, I know who would be after us very quickly if we did that. We stick strictly to the role we have been given in the legislation and we do that really well.

**Deputy Imelda Munster:** Could the witnesses see themselves making a recommendation to have two separate contracts?

**Mr. Liam Sloyan:** I am happy to engage with the Competition and Consumer Protection Commission and HIQA on the matter.

**Deputy Marc MacSharry:** The witnesses are very welcome and I thank them for taking the time to come before us in these difficult times. Before getting into the meat of today's meeting, I will begin with a few current questions that the witnesses may be able to help us with. What is the current position with waiting lists in this country and how has Covid-19 had an impact?

**Mr. Liam Sloyan:** As the chairman indicated in his initial statement, good progress was being made in reducing the waiting lists.

**Deputy Marc MacSharry:** I do not doubt the efforts to date. I am sorry to cut across witnesses but I have very little time. We are looking at the here and now. What is the state of the waiting lists? What has been the impact of Covid-19? We know the witnesses have been working hard up to now.

**Mr. Liam Sloyan:** Absolutely. Over the course of the pandemic, the elective care ceased for a while.

**Deputy Marc MacSharry:** We know all that too. Just give us the juicy stuff.

**Mr. Liam Sloyan:** The Deputy just wants the numbers. The number of people waiting on the inpatient day case waiting list - the active list - increased by approximately 20,000 during the pandemic.

**Deputy Marc MacSharry:** What percentage is that?

**Mr. Liam Sloyan:** It is approximately 30%.

**Deputy Marc MacSharry:** It was effectively a 30% increase in people waiting for elective surgery.

**Mr. Liam Sloyan:** Yes. Since we have been able to restart, that has reduced by approximately 10,000. The increase is now at approximately 15%, or 10,000 up on where it was at the start of the pandemic. That is the active waiting list.

**Deputy Marc MacSharry:** Have we not been adding people to it?

**Mr. Liam Sloyan:** For the past few months we have been reducing the numbers on that one.

**Deputy Marc MacSharry:** What about the other lists?

**Mr. Liam Sloyan:** The outpatient list has increased from approximately 560,000 to approximately 612,000. That is from before the pandemic to now.

**Deputy Marc MacSharry:** We are not in a position to eat into that.

**Mr. Liam Sloyan:** The number is starting to stabilise. Over the months, we were looking at increases of approximately 10,000 per month but in the last month it was around 1,000.

**Deputy Marc MacSharry:** These are people being added to it.

**Mr. Liam Sloyan:** Yes.

**Deputy Marc MacSharry:** What is it now?

**Mr. Liam Sloyan:** It is approximately 612,000.

**Deputy Marc MacSharry:** What is the percentage increase?

**Mr. Liam Sloyan:** It would be an increase of approximately 11%.

**Deputy Marc MacSharry:** It is an 11% increase in the outpatient list, leaving it at 612,000 people. We know there was a 30% increase in the other list but we have eaten into that. What is the total elective waiting list?

**Mr. Liam Sloyan:** There is another one for scopes.

**Deputy Marc MacSharry:** I will come back to that in a moment.

**Mr. Liam Sloyan:** If we include scopes-----

**Deputy Marc MacSharry:** No. Just go back to the elective lists for a moment.

**Mr. Liam Sloyan:** The elective list is currently at approximately 75,000. I will forward the precise details.

**Deputy Marc MacSharry:** That is fine. What about scopes?

**Mr. Liam Sloyan:** That list is at approximately 34,000. If I get any of this wrong, I will notify the committee.

**Deputy Marc MacSharry:** What was the percentage increase in that list because of Co-

vid-19?

**Mr. Liam Sloyan:** The largest percentage increase was in scopes. It was approximately 50%.

**Deputy Marc MacSharry:** Right. I am not a medical professional but scopes cover the diagnostic side, where we might determine illness. Is that correct?

**Mr. Liam Sloyan:** Yes. It refers to colonoscopy or gastroscopy.

**Deputy Marc MacSharry:** All told, there was an increase of approximately 120,000. That takes into account-----

**Mr. Liam Sloyan:** It is not that much. We are looking at approximately between 80,000 and 90,000.

**Deputy Marc MacSharry:** Okay. How long will it take after Covid-19 to get this back to an acceptable level?

**Mr. Liam Sloyan:** There is much funding coming to this, as we have seen on Tuesday's budget. Our budget has increased considerably. There is much work that can be done. I know that with the inpatient day cases, we worked with our colleagues in the health system to bring the number from 86,000 to 65,000 over the course of two and half years.

**Deputy Marc MacSharry:** Okay. We are looking at numbers of years, relative to the amount of funding, etc.

**Mr. Liam Sloyan:** What is particularly relevant is what happens with the pandemic.

**Deputy Marc MacSharry:** Whenever it ends. Is it a case that the numbers, including scopes, have stabilised and they will start going down, or are we still going to be adding 1,000 people per month, as the witness mentioned?

**Mr. Liam Sloyan:** We are certainly in a position where the number for inpatient day cases is going down. I hope to be able to maintain that.

**Deputy Marc MacSharry:** Which one is going up by approximately 1,000 per month?

**Mr. Liam Sloyan:** That is the outpatients list.

**Deputy Marc MacSharry:** The outpatient list is going up by approximately 1,000 per month. The inpatients list has been stabilised and we are eating into what was originally a peak of 20,000 being added to the list.

**Mr. Liam Sloyan:** Yes. That has decreased by approximately 10,000.

**Deputy Marc MacSharry:** With scopes there was an increase of 35,000 or 50%. Where are we on those? Is the number being reduced?

**Mr. Liam Sloyan:** That number has also stabilised in the past couple of months. There was a small reduction in the past month. It was in the hundreds.

**Deputy Marc MacSharry:** That is important. I am not a medical professional and the witness may not be one either. However, diagnostics look to find out what is wrong with people.

**Mr. Liam Sloyan:** Yes, although it is important to note people are heavily triaged. People in urgent need of these scopes are the focus.

**Deputy Marc MacSharry:** They go to the top of the list but the list is what it is.

**Mr. Liam Sloyan:** Exactly.

**Deputy Marc MacSharry:** Is Mr. Sloyan a medical professional?

**Mr. Liam Sloyan:** No.

**Deputy Marc MacSharry:** The next question is how is it decided that a person, Marc MacSharry, for example, will have his appendix removed in a private hospital but another person, such as Deputy Nessa Hourigan, would not? I would gladly give her my slot.

**Mr. Liam Sloyan:** We identify the procedures for which we will arrange treatment. Whoever is waiting longest on the list, we will authorise an offer to go to the patient for treatment in either a private hospital or another public hospital. It is based on assessing who has waited longest for those proceedings for which we can arrange procedures.

**Deputy Marc MacSharry:** The witness stated people are heavily triaged.

**Mr. Liam Sloyan:** Yes. We tend to do the people who are waiting longest. People waiting on scopes would not tend to be waiting long enough to get to the NTPF, in the main.

**Deputy Marc MacSharry:** How long does a person have to be on the list to get to the point of having a procedure?

**Mr. Liam Sloyan:** We offer them to those who are waiting longest. In 2019, we were getting to the stage where many of the procedures we were arranging were for people waiting three or four months. That has gone out again.

**Deputy Marc MacSharry:** If it is an NTPF decision, is it a business decision? Is there a direct flow where a clinical director of a hospital group might ring Mr. Sloyan-----

**Mr. Liam Sloyan:** That can happen but it is not the main process. The main process is that we take those who have waited longest. Many of the procedures we deal with are not time-critical and, although they are very important, they are elective. I do not want to be misunderstood. For example, there is cataract surgery-----

**Deputy Marc MacSharry:** Scopes are surely time-critical.

**Mr. Liam Sloyan:** Those determined to be most time-critical are the urgent scopes and they tend to be done.

**Deputy Marc MacSharry:** This is the point. If we look at those who are longest on the list, there is no established communication pathway to say that patients A, B and F should be looked after while patients C, D and E can wait for now.

**Mr. Liam Sloyan:** We communicate with our colleagues.

**Deputy Marc MacSharry:** Is there a formal protocol around that or is a bit like the negotiations?

**Mr. Liam Sloyan:** Around colonoscopies, for example, reports go weekly to hospitals deal-



ing with urgent colonoscopy cases that have not been seen within the time limits.

**Deputy Marc MacSharry:** Who deals with that? Is it the clinical director, the treating consultant, a doctor, the hospital management or the HSE? Who lifts the phone and asks Mr. Sloyan-----

**Mr. Liam Sloyan:** It is the hospital management.

**Deputy Marc MacSharry:** Okay. I will leave that for now as I am almost out of time. I am a bit surprised by the negotiation strategy as it sounds more like an auctioneering process with which I was involved years ago. Details might be written on the back of an envelope. With the Property Services Regulatory Authority, very substantial records must be kept but this does not seem to apply in this business. When the witnesses were explaining this to Deputy Munster, I was thinking about cattle at a mart and horse trading. There is a difference in prices, as they go from €765 to €1,370. That is the price range the NTPF has agreed with various homes, €765 to €1,370.

**Mr. Liam Sloyan:** Yes, and that is narrowing.

**Deputy Marc MacSharry:** Regarding the criteria, we heard a little about the dependency side, but it does not have a huge impact either in the report from the Comptroller and Auditor General.

**Chairman:** The Deputy must conclude.

**Deputy Marc MacSharry:** I appreciate that, but I seek the same leniency as before. Does the NTPF geographically profile in negotiations?

**Mr. Liam Sloyan:** We have regard to the local price.

**Deputy Marc MacSharry:** What is the local price? If there is a nursing home on Shrewsbury Road and one in Collooney in Sligo, does the NTPF approach them with a different set of criteria?

**Mr. Liam Sloyan:** Yes. As I say we are having regard-----

**Deputy Marc MacSharry:** Does the NTPF say that these guys will need more as they are probably living in Stillorgan, the price of a house there is €750,000 and their salaries will have to be higher, whereas the price of a house in Collooney is less, therefore, the NTPF will make a lower offer there and see how it gets on?

**Mr. Liam Sloyan:** Our criteria are published, and one of them is the local price. The local prices in Dublin are higher than those in other counties.

**Deputy Marc MacSharry:** They could get together and decide that as Mr. Sloyan is coming in to negotiate this week-----

**Mr. Liam Sloyan:** I hope they would not, as that would be illegal.

**Deputy Marc MacSharry:** The NTPF does geographically profile.

**Mr. Liam Sloyan:** We have regard to the local market price.

**Deputy Marc MacSharry:** I thank Mr. Sloyan.

**Chairman:** I call Deputy Colm Burke. You have five minutes.

**Deputy Colm Burke:** I understand that my colleague, Deputy Carroll MacNeill, has sent her apologies so I might get a little latitude.

**Chairman:** Accepted.

**Deputy Colm Burke:** I thank the witnesses for their presentation. I have a question about the NTPF and the treatment abroad fund. I know the NTPF has nothing to do with the treatment abroad fund, but has anybody done a comparison between them regarding the cost of providing care in similar areas? Does the witness not think it might be appropriate at this stage to do that comparison to see if we are getting value for money in that area?

The second matter I wish to refer to is nursing homes. I live in an area in which there are two nursing homes within a five-mile radius. One is run by the HSE and it costs €1,550 per week per patient. The other one is privately run - they are the same size with 100 beds in each - and under the fair deal scheme the cost is €950 per week. There is a gap of 66%. As regards when the NTPF is negotiating with nursing homes, let us take the example of a nursing home with 50 patients. They are all at the standard level of care but as time passes between 15% and 20% of them may need a higher level of care. There appears to be no adjustment allowed in the price. Will Mr. Sloyan comment on that?

There is a third matter. With regard to public nursing homes, we received the report in 2018 showing that 40% of the funding from the fair deal was going towards the public nursing homes, which are looking after 20% of those in care, whereas 60% of the fair deal was going to the private nursing homes, which are looking after 80% of those in care. I had a detailed meeting this morning with a nursing home for about an hour on various issues, including access to services for private nursing homes. Even though public nursing homes are costing more money per patient per week, the residents have access to more public services, whereas private nursing homes do not have the same level of access to healthcare services. That is not factored in when dealing with this issue. The witnesses might comment on that.

**Mr. Liam Sloyan:** The first question is about value for money in the procurement of hospital treatments. Our approach here is different because this is procurement, not negotiation. We follow the procurement guidelines and procurement law. That is how we get the best value for money, through an open tender process. That is how we can be assured that we are getting value for money. We can compare our costs against, for example, the hospital pricing office's booklet and see there that we are achieving value for money.

**Deputy Colm Burke:** Have we looked at what the treatment abroad fund is costing the taxpayer per person who is availing of it? If we had a better structure in place, we would not have people availing of treatment abroad.

**Mr. Liam Sloyan:** What we are focused on there is reducing the waiting times. That is a strong focus of our work, particularly with regard to major hospital treatment centres.

**Mr. John Horan:** If I could give an overarching comment on that, when the National Treatment Purchase Fund first started in business in the mid-2000s some work was sent abroad and we negotiated with hospitals abroad and so forth. However, we increasingly found that we were able to do that work at home in private hospitals and, in more recent years, we find we can do it in public hospitals. As the chief executive pointed out, through the tendering process and so forth we are satisfied that we are getting good value for money from the money we are spend-

ing in the private hospitals and the additional money we pay to public hospitals for providing treatments to patients. The treatment abroad scheme is a much smaller proportion of the overall health budget. It is not availed of by many people. We had experience of using hospitals abroad, and we tend not to do that now. It is all on the island of Ireland.

**Chairman:** The Deputy has seconds left.

**Deputy Colm Burke:** What about the issue relating to nursing homes?

**Mr. Liam Sloyan:** The Deputy pointed to the price differential between the public and private nursing homes. We work to do the best job we can in respect of the nursing homes with which we are responsible for negotiating. We have no involvement in the pricing of public nursing homes. However, we can point to the fact that the number of beds in the homes with which we negotiate is continuing to grow year on year. In fact, the number is growing broadly in line with the level of growth required under the Department of Health's capacity review.

**Chairman:** The Deputy has gone a minute over.

**Deputy Colm Burke:** What about the issue of access to services as compared between public and private? People have the same entitlement, yet if one is in a public home one has access to more services.

**Mr. Liam Sloyan:** That is a question for the HSE.

**Deputy Colm Burke:** Is it not a factor that should be taken into account when the NTPF is dealing with the private nursing homes as regards trying to work with them to deal with that issue?

**Mr. Liam Sloyan:** We take into account the position as the Deputy has outlined, which is that the entitlement is the same.

**Chairman:** Deputy Devlin, you have five minutes. I will give you a reminder after four.

**Deputy Cormac Devlin:** I offer apologies for my colleague, Deputy McAuliffe. I thank the witnesses for attending. I appreciate it. I am aware they appeared before this committee in June 2018 to deal with the financial statements from 2016 regarding the nursing homes support scheme. I will mention some of the recommendations as a result of that meeting. Recommendation 1 states:

It is not clear that the cost of care in public nursing homes is providing value for money to the taxpayer. Of a budget in the region of €1 billion for the Nursing Home Support Scheme, approximately two thirds is expended on public nursing homes that provide one fifth of capacity.

The Department of Health commenced a value for money review, which I note has been referred to earlier. That was concluded in May 2019. How soon do the witnesses think that is going to be published? Do they have any more information for the members of the committee? It appears to be dragging its heels. Indeed, that issue is still live and relevant since the witnesses' last appearance before the committee.

Recommendation 2 states: "The National Treatment Purchase Fund's review of its pricing mechanism for long-term residential care in private and voluntary nursing homes is ongoing." It also refers to increasing the transparency of the current price mechanism and continuing to

ensure value for money for the taxpayer. Again, something similar is referred to in the Comptroller and Auditor General's report today, regarding the lack of review of charges. If I understood the Comptroller and Auditor General's opening remarks, just two reviews were conducted by the chief executive. I am open to correction on that, but he might clarify why that is the case.

In terms of the internal appeals process, what changes have been made to those since the witnesses' last appearance before the committee? Transparency about negotiations with nursing homes and how fair deal agreements are arrived at with individual homes is in question. We need to ensure that funding is based on the need of those who are in care and not necessarily whether they are in a public or private home. What changes can the NTPF assure us it has made in the intervening period and what changes does it intend to make now that, in light of Tuesday's budget, the funding has changed?

**Mr. Liam Sloyan:** The value-for-money review is being conducted by the Department of Health so any updates on that are best obtained from it. The review of the pricing mechanism has been submitted to the Department and Minister. The issue of transparency in negotiations is a challenge because these are commercial negotiations being conducted in the interests of the State. The committee will appreciate that in a negotiation one sometimes has to keep one's cards close to one's chest. There can be a tension between providing transparency about negotiations while also achieving value for money for the State. It is worth noting that the function for the NTPF is unusual. We are not being asked to procure and follow the guidelines as we do with hospitals and such. Here, we have a function to negotiate and we have to interpret how to do that as well as we can in the interests of the State and of residents. We try to hit the sweet spot of providing transparency where we set out our criteria. At the end of the review process, I give the nursing home reasons about the offer that it was made. We have to be mindful of the other side too.

**Deputy Cormac Devlin:** I thank Mr. Sloyan. We have limited time. Regarding the transparency of internal reviews and the appeals process, what changes have been made since the NTPF was previously before the Committee of Public Accounts?

**Mr. Liam Sloyan:** It is up to nursing homes whether they want to go into the internal review process. If a nursing home comes to an agreement with the negotiating team and the finance directorate, that is where it lies, but if it chooses to get it reviewed by me, then I will review it. The fact that there were only two per year up to the date of the report is a function of the fact that only two nursing homes per year could not come to an agreement with the team.

**Deputy Matt Carthy:** For context, the NTPF is charged with negotiating with private and voluntary nursing homes, with prices on an individual or centre basis. That has potential implications for the patients and their contributions through the fair deal scheme. According to the information provided to us, there are three contract managers charged with carrying out those negotiations and two overseers, namely, a financial controller and a finance director. Is that correct? Is that enough people to do that type of work and ensure that there is adequate oversight?

**Mr. Liam Sloyan:** That team has grown since then, so we also have a fair deal policy expert. The team is supported by an administrator. There is much food for thought regarding the nursing home sector at present and we will look further at the staffing level.

**Deputy Matt Carthy:** A policy adviser and an administrator have been brought on to that team but there are still three people conducting the negotiations with two overseeing it?

**Mr. Liam Sloyan:** Yes.

**Deputy Matt Carthy:** I am interested in pursuing exactly how fees are agreed or prices arranged, especially in the context of the differential that could potentially arise and the reasons for that. Would it be fair to say that the biggest factor in the price differential is regional, with higher costs in Dublin and on the east coast and lower costs the further out one goes?

**Mr. Liam Sloyan:** That is a big factor. There are other factors but that is significant in Dublin and the surrounding counties.

**Mr. John Horan:** It is worth referencing what the Comptroller and Auditor General said earlier, namely, that when the scheme started, we agreed that we would accept the current prices that nursing homes were charging so that there would not be a lacuna and we would end up not having arrangements on behalf of individual residents. That was the starting point and then there was a disparity between different parts of the country.

**Deputy Matt Carthy:** Were these prices that had previously been agreed between the nursing homes and the State or were they agreed directly with the HSE?

**Mr. John Horan:** No, between nursing homes and residents, before the Nursing Homes Support Scheme Act 2009 was introduced. When the fair deal scheme was introduced, we accepted those as a starting point, then quickly managed to get into doing individual negotiations with each of the more than 400 nursing homes. That regional pattern has continued but the gap has narrowed. It continues to narrow yearly. It was a starting point and there was obviously a commercial reason for it then, so we cannot ignore that. Regional factors play a part but it is not the only aspect.

**Deputy Matt Carthy:** Would it be fair to say that prices in the interim have gone one way? In other words, that they have increased.

**Mr. John Horan:** Prices in general have gone up but the gap between the lower cost and higher cost regions has narrowed, and is consistently narrowing each year.

**Deputy Matt Carthy:** Is there an average price increase?

**Mr. Liam Sloyan:** The average price increase is approximately 2.5%-----

**Deputy Matt Carthy:** Since-----

**Mr. Liam Sloyan:** -----nationally. As Mr. Horan was saying, the spread of prices has narrowed. One of the major changes is that the standard deviation of the prices has gone from about 18% of the average price to about 12%.

**Deputy Matt Carthy:** I am also interested in getting a sense of the issues pertaining to dependency, additional services or both. Even with the NTPF's contract, it is possible for the nursing homes to levy additional charges on patients.

**Mr. Liam Sloyan:** That is right. There are certain services outside the fair deal scheme. One of the recommendations in the report of the Comptroller and Auditor General, directed at the HSE and the Department of Health, is to review the inclusion of components of care within the fair deal scheme that cannot be charged for.

**Deputy Matt Carthy:** People have contacted me about issues where entertainment costs



have been attributed to patients. Since March, there has clearly been little entertaining in our nursing homes. Does the NTPF have any oversight or role in monitoring that?

**Mr. Liam Sloyan:** I think the Competition and Consumer Protection Commission and the Ombudsman have roles in that regard.

**Deputy Matt Carthy:** I see that the NTPF has spent in the region of €108,000 on public relations, an increase of over €10,000 on the previous year. Why would the NTPF need to spend that much money on public relations exercises?

**Mr. Liam Sloyan:** I will put it in the context of where we were in 2017 and going in 2018. We had an income of €5.1 million in 2016, which increased to €55 million by 2018. The whole organisation was being built up during 2017. Four out of the five executives reporting to me were not employed on a permanent basis at that point. There was some reliance on external service providers in 2018.

**Deputy Matt Carthy:** For public relations?

**Mr. Liam Sloyan:** For communications.

**Mr. John Horan:** The term PR has slightly pejorative associations, whereas it was in fact communications. I will give an example. In that year, we launched a new national protocol for waiting lists. That has to get out to all the hospitals and to be understood and fully adopted by all of those hospitals. We needed a good communications programme to get that message across clearly. That would be part of this.

**Mr. Liam Sloyan:** I think that was in 2017.

**Mr. John Horan:** In 2017. It comprises that type of thing.

**Mr. Liam Sloyan:** From the validation end of things-----

**Mr. John Horan:** There would be special things that we need to communicate.

**Deputy Alan Dillon:** I welcome our witnesses. Is it true to say that there is no independent review or appeals mechanism for nursing homes that cannot agree a fee with the NTPF and that any review that is undertaken is performed by the CEO? Is that correct?

**Mr. Liam Sloyan:** That is correct. Under the legislation, this work is a matter for the NTPF. It would not be possible for us to ask another body to look at it and overrule us. We would then be essentially outsourcing a job that was given to us by the Oireachtas. We could not actually do that. The final review has to be done within the NTPF. That is not at all unusual for a State agency or a regulator; in fact, it would be the norm. People have access to the courts, if needs be, in these situations. Legislation would be required to introduce a separate review mechanism.

**Deputy Alan Dillon:** According to the report by the Comptroller and Auditor General, there have only been 38 reviews since 2009. Of those 38 reviews, how many resulted in increases in fees and from what offer, in terms of the contract manager delivering that during negotiations?

**Mr. Liam Sloyan:** First, I cannot go into details on individual negotiations. I do not have the full details of the reviews conducted in my head or with me today but if the committee wants this data, we can do a review to determine what level of information we can provide.



**Deputy Alan Dillon:** That would be appreciated. I ask Mr. Sloyan to write to the committee in that regard. In terms of the recommendations outlined *vis-à-vis* the pricing review, I ask the NTPF to provide this committee with some understanding of the process undertaken. The NTPF has consulted a number of external companies, including Deloitte. What process is being followed with the private nursing homes?

**Mr. Liam Sloyan:** Is the Deputy referring to the pricing review?

**Deputy Alan Dillon:** Yes.

**Mr. Liam Sloyan:** The Deputy is correct. We engaged Deloitte for advice on that and it conducted a consultation process which included nursing homes and their representative bodies. We also got legal advice. We considered all of the advice and consultations put before us, came to a view ourselves and submitted all of that to the Minister.

**Deputy Alan Dillon:** What is delaying publication of that report? It is crucial for the taxpayer and the public generally to understand the issues involved in pricing. This committee has heard that there are huge disparities in pricing across geographical areas. There are issues with regard to local markets and we are trying to get a better understanding of what is going on. I am from Mayo where the average price for patients is very different from that being offered in Dublin. Are we getting value for money for the services provided in Mayo? We need to understand that better.

**Mr. John Horan:** The delay in publishing the report is not a matter for the NTPF. It is out of our hands as to when it is published but when we were asked to conduct the review, it was noted that the NTPF had done an “effective job” in introducing and managing the pricing system for long-term residential facilities and we were thanked for our ongoing work. The system is working and it is not the case that there is an urgent need to fix something and we must, therefore, get the review published. The system is working well. It covers expenditure by the State of about €1 billion per year. In that context, it would be very important not to change something just for the sake of it. It is working well and the amount of expenditure involved is considerable. I am not saying it cannot be tweaked or improved but we must be careful. That is probably the view being taken at departmental level, that we should not rush this.

**Deputy Alan Dillon:** Does the NTPF have any major concerns arising from that review?

**Mr. John Horan:** As I said, we think the system is working well. There may be some tweaks or adjustments that can be made to it and we are happy to work on them but we are not wishing that the system could be changed very quickly because that might not be a good idea. In fact, whatever change is recommended should be run in parallel with the existing system for a period to make sure that we do not cause some major disruption and that there are not any unintended consequences. As we are sitting here today, we are satisfied that the system is working well and is delivering well for the State and for more than 20,000 residents in nursing homes who benefit from it every year. We should tread cautiously.

**Chairman:** Deputy Hourigan is next.

**Deputy Neasa Hourigan:** I thank the witnesses for coming in today. My background is in construction so my knowledge of purchasing practice is based very much on tendering processes and the subsequent contract negotiations but one thing in the submissions from all parties today jumped out at me. All of the metrics in the negotiations are located within a specific sphere and the NTPF’s own criteria are costs reasonably incurred, previous prices, local market

and the budgetary constraints of the State. Other considerations variously mentioned include occupancy rates, annual turnover and weekly unit costs. I am a little surprised, to say the least, that the quality of service provided is not a factor in the negotiation metrics. This would be standard practice in other sectors, including the construction sector. It would also be standard practice in other jurisdictions. In care facilities in the UK, for example, the independent Care Quality Commission provides verifiable metrics to input into similar negotiations when it is dealing with private companies. Does the current legislation preclude the NTPF from considering the quality of care provided by nursing homes on behalf of the State? We have heard today that there is a difference between public and private providers in terms of access to services. Has the NTPF cited improvements to facilities in its review? Today we have heard that the NTPF is seeking to improve some work practices such as record keeping, IT systems and waiting list management. Has it considered or made representations to the Minister over the last 11 years on including performance metrics or a consideration of the quality of care in negotiations? Do the witnesses think quality of care should be considered?

**Mr. Liam Sloyan:** All of the Deputy's questions are linked to quality. HIQA is responsible for overseeing the quality of care in nursing homes. Our role is to negotiate with homes that are registered with HIQA. Our view is that the quality of care provided in nursing homes must be appropriate to the needs of residents and that is consistent with the requirement for registration with HIQA.

**Deputy Neasa Hourigan:** To be clear, I am not asking about base standards. The fact that a home qualifies to give care is the base standard. The quality of that care is a performance-based standard and would vary across care providers. In the NHS, for example, the independent review body has five metrics. It asks if they are safe, that is, whether residents are safe from harm or abuse. It asks if nursing homes are effective in terms of the outcomes from the care provided. It asks if the homes are caring and working in a compassionate way, if they are responsive to people's needs and if they are well led in terms of governance and leadership issues. All of these considerations affect the price of things in other sectors-----

**Mr. Liam Sloyan:** Yes, and all of those things are requirements of HIQA. When HIQA conducts its reviews, it looks at all of those things. It is important to us that everybody who is resident in a nursing home is receiving high quality care in Ireland.

**Deputy Neasa Hourigan:** Yes, but there is differentiation in care.

**Mr. Liam Sloyan:** I would need to consider the issue of paying for some residents to have a higher quality of care than others. The issue of providing more State funding for some residents-----

**Deputy Neasa Hourigan:** Sorry, just to be clear, where some residents do not have access to particular services through a private provider, there is no differentiation made in the price point.

**Mr. Liam Sloyan:** That was not a point made by us. If there is an issue of people not getting access to care to which they are entitled, that is a matter for the HSE.

**Mr. John Horan:** On the five metrics the Deputy outlined, if an individual nursing home does not tick all of those boxes, it will not be approved in the first instance and we will not end up negotiating with it. We are not responsible for that part but it is taken into account by others before a home is approved.

**Deputy Neasa Hourigan:** That is the base standard. Registration is a base standard and quality of care is something that is more differentiated. My question is whether the NTPF is happy that the quality of care received is not an aspect of negotiations.

**Mr. Liam Sloyan:** To say that the quality of care that is accepted by HIQA is a base standard might be to understate the quality of care HIQA requires. A review of its reports on nursing homes evidences that. The quality of care HIQA seeks is a good quality of care.

**Mr. John Horan:** Any nursing home that we have arrangements with is providing a good quality of care to the residents-----

**Deputy Neasa Hourigan:** Does that include all services they are entitled to?

**Mr. John Horan:** It includes all services. On the point about people not getting all the services, if they are living in their own home, they are entitled to a certain amount of service, depending on whether they have a medical card and so on. If they go into a nursing home, that facility becomes their home and the services to which they are entitled should not change. There may be more difficulty in accessing a service in a particular case but, in general, their entitlements do not or should not change.

**Deputy Catherine Murphy:** I want to focus first on the NTPF's budget, which went from €5.1 million in 2016 to €33 million in 2018 and to €130 million for next year, as announced in the budget this week. That expenditure relates primarily to hospital treatments. Is the large increase for next year Covid-related or is it a permanent increase which will necessitate a rapid increase in staffing? It took the NTPF quite a long time to recruit staff in 2018 and replace the ICT and corporate services director. If the increased allocation is for the purpose of clearing Covid-related lists, how will that impact on the recruitment of staff?

**Mr. Liam Sloyan:** We have grown considerably in recent years and there is some recruitment ongoing at the moment. We now have a very strong team. I said earlier that, in 2018, we had to fill four out of the five positions reporting to me. I am delighted to have the colleagues I now have reporting to me. We have the team in place to carry out our work.

**Deputy Catherine Murphy:** Are there vacancies at the moment?

**Mr. Liam Sloyan:** Yes.

**Deputy Catherine Murphy:** Is that due to the increased allocation in next year's budget?

**Mr. Liam Sloyan:** These are vacancies for which we already have sanction. I do not have the exact figures.

**Deputy Catherine Murphy:** Is the increased funding primarily to buy in services from the private sector?

**Mr. Liam Sloyan:** Approximately half of what we spend goes to the public sector. The figure was about one third in the 2018 accounts but the proportion of our spend through the public hospitals is increasing. We do a lot of work through public hospitals.

**Deputy Catherine Murphy:** It would be useful to have a breakdown, if the witnesses could send us one.

**Mr. Liam Sloyan:** It is set out in the accounts.

**Deputy Catherine Murphy:** Mr. Sloyan might point me in the right direction in that case. There is an argument that we are probably undermining our public system by constantly buying in from the private sector.

**Mr. John Horan:** It is actually the opposite. I would say we are supporting the public system. I am sure my colleague, Mr. Flood, can point the Deputy to the precise note on the split between public and private which, as the CEO says, was above one third public to two thirds private in 2018. The accounts for 2019 are not published but they show that the ratio was 49:51 last year. The figures are there in the accounts.

**Mr. Seán Flood:** Under insourcing arrangements in 2017, 24% of our expenditure went to public hospitals. It was 36% in 2018 and 49% in 2019. The proportion of expenditure to public hospitals is growing.

**Deputy Catherine Murphy:** I will have a look at those figures.

The care model has been very challenged during the Covid crisis. I know that staff got sick and all the rest of it, but there are questions regarding the capacity or number of staff on the clinical side. Is clinical cover factored into the fair deal scheme?

**Mr. Liam Sloyan:** There is a temporary assistance payment scheme currently in place for nursing homes which offers support in respect of Covid, including-----

**Deputy Catherine Murphy:** I am sorry to interrupt but that is not the point I am trying to get to. Is the level of clinical cover one of the factors in working out what the payment will be? Is it counted anywhere?

**Mr. Liam Sloyan:** It would come into the cost reasonably incurred by the nursing home.

**Deputy Catherine Murphy:** Is there a minimum level of cover included in that?

**Mr. Liam Sloyan:** That is a matter for HIQA. Moving into the area of the quality of care, all of those things are matters for HIQA to determine and regulate.

**Deputy Catherine Murphy:** The NTPF is funding this and doing the negotiation. It will know the market price, make variations from one part of the country to another and so on. Presumably one of the most fundamental elements in working out a price is whether there is adequate clinical cover and a minimum below which that cover does not fall. Is that a factor or metric in the price negotiation?

**Mr. Liam Sloyan:** A nursing home must comply with HIQA's regulations and remain registered with it. That determines whether the appropriate care is provided by the nursing home. If it achieves that and sets out to us the cost it needs to incur in achieving it, then that is something we have regard to in the negotiations.

**Deputy Catherine Murphy:** Is there any review happening post Covid? We saw that the nursing home sector, both private and public, was one of the most exposed sectors and accounted for a very sizeable percentage of the number of people who died from Covid. Has the NTPF been made aware of any review that is being done in regard to clinical cover?

**Mr. Liam Sloyan:** The report of the expert panel on nursing homes to the Minister for Health included 86 recommendations that are currently being actioned. One of those recommendations relates to the NTPF. The other recommendations are matters for the HSE, the

Department and HIQA.

**Deputy Catherine Murphy:** I have a final question.

**Chairman:** The Deputy is one and a half minutes over time and will need to be very brief.

**Deputy Catherine Murphy:** Deputy Munster talked about the maximum price that can be charged for residents. How many care facilities have come in under that maximum price or have any done so?

**Mr. John Horan:** There is an easy answer to that question and it is “None”, or none that I am aware of.

**Deputy Catherine Murphy:** I thought that might be the reply.

**Deputy Verona Murphy:** I thank the witnesses for attending the meeting. Mr. Flood referred to the increase in the public beds the NTPF is purchasing. When he talks about 36%, does he mean that 36% of the NTPF’s funding goes to the public sector?

**Mr. Seán Flood:** It was 36% in 2018, as set out in the accounts.

**Deputy Verona Murphy:** Will Mr. Flood give me the figures again?

**Mr. Seán Flood:** It was 24% in 2017 and 36% in 2018.

**Deputy Verona Murphy:** We see an increase of 12% in service being provided but what was the percentage increase in the cost of that care from 2017 to 2018? Taking into account that there was an increase in business to the public sector, as I will call it, of 12%, what did that equate to as an increase in cost?

**Mr. Liam Sloyan:** The information is shown on the screen. The amount paid to private hospitals in 2017 was just short of €10 million.

**Deputy Verona Murphy:** I understand how much was paid but I am asking about the percentage increase, year on year, in the cost of care that was put out to the public sector. What kind of increase was it?

**Mr. John Horan:** In the public hospitals, it went from €3 million in 2017 to €17 million.

**Deputy Verona Murphy:** Mr. Horan is confusing me. For clarity, if a bed cost €1,000 in 2017, how much did it cost in 2018?

**Mr. Liam Sloyan:** The unit cost of treatments was similar between the two years. In fact, the unit costs across the public and private systems were not very dissimilar. I would have to check it out because a lot of the stuff we do in the public hospitals is actually more complex.

**Deputy Verona Murphy:** Can Mr. Sloyan get me a specific increase figure?

**Mr. Liam Sloyan:** Does the Deputy mind if I follow up with her on that?

**Deputy Verona Murphy:** That is fine. I want to see what the-----

**Mr. Liam Sloyan:** Is the Deputy talking about the activity?

**Deputy Verona Murphy:** I am asking about the percentage increase in cost. Mr. Sloyan



said there was no increase and it was almost the same as in the private sector. We had the HSE before the committee. The cost of a public bed is almost 50% higher than in the private sector anyway. I am very concerned. Why are we 36% reliant on the public sector? Is it because we do not have the capacity in the private sector?

**Mr. Liam Sloyan:** We are taking opportunities that arise in the public sector. If a theatre is not being used at the weekend, we can fund overtime, which will allow the hospital to bring in staff to operate it at the weekend.

**Deputy Verona Murphy:** If that opportunity costs 50% more than a private bed, it is not really an opportunity.

**Mr. Liam Sloyan:** It does not. We would not agree to something like that.

**Deputy Verona Murphy:** Is Mr. Sloyan saying the NTPF negotiates with the public sector in the same way it negotiates with the private sector?

**Mr. Liam Sloyan:** We come to arrangements with the public sector, which is supposed to charge us the marginal cost, that is, the extra cost. We have never concluded an agreement where the marginal cost has exceeded the cost of getting the procedure done in a private hospital.

**Mr. John Horan:** There is a straightforward answer. If we can get it cheaper in a private hospital, we do so.

**Mr. Liam Sloyan:** There are other relevant benefits pertaining to continuity of care or the extra complexity of a patient's case.

**Mr. John Horan:** I 100% agree.

**Mr. Liam Sloyan:** It is not always a one-to-one relationship, but we pay close attention to it.

**Deputy Verona Murphy:** Returning to the review spoken about by Deputy Dillon, in the period 2009 to 2018, there were only 38 appeals of agreements. That number seems low. The witnesses have agreed to provide Deputy Dillon with a figure for the number of appeals that resulted in payment in excess of what was initially agreed with the contract manager. The CEO would have increased some payments.

**Mr. Liam Sloyan:** We have to be conscious of commercial sensitivities in the degree of detail we can provide on some of these reviews.

**Deputy Verona Murphy:** We do not need names. We only need figures. I am also concerned about how long the review is taking. I know it is on the Minister's desk. Has the NTPF made any recommendations on whether that review should be published?

**Mr. Liam Sloyan:** No.

**Deputy Verona Murphy:** The NTPF has had no input.

**Mr. Liam Sloyan:** It is for the Minister to determine what to do with the report now.

**Deputy Verona Murphy:** It is a matter for the Minister, but given that this is public money, are there potential savings in the review that should be published? I am concerned about that. Why was the review carried out if it is to be left sitting on the Minister's desk? Does it not make



sense to publish any review?

**Mr. John Horan:** That is not within our control, but the review is part of a quite complex mechanism. Our input was made as part of a steering committee that also included representatives of the Departments of Health and Public Expenditure and Reform. It was a three-legged stool. That review is now with the Minister.

A broader working group involving those three bodies plus the Department of the Taoiseach, the HSE, the Revenue Commissioners, etc., will decide what to do with the review. The work is not finished.

**Deputy Verona Murphy:** By the time that is done, the report will be out of date, so it will be another waste of public money. That is nothing to do with Mr. Horan. I take it that the NTPF made no recommendations on publication.

**Mr. John Horan:** No.

**Mr. Liam Sloyan:** No.

**Deputy Verona Murphy:** The Comptroller and Auditor General's recommendation 2.3 requires the NTPF to develop internal guidelines and procedures for its staff on the conduct of negotiations. The fund's response states that internal guidelines are being developed to assist the contract managers. When might those guidelines be finalised?

**Mr. Liam Sloyan:** We have pulled together all the documents the Comptroller and Auditor General says we have. The main benefit of this is as a tool for training-----

**Deputy Verona Murphy:** When will they be ready?

**Mr. Liam Sloyan:** I would say they will be ready in a matter of weeks.

**Deputy Verona Murphy:** Could Mr. Sloyan pass the guidelines to the committee for review?

**Mr. Liam Sloyan:** I would be wary of doing that. They pertain to commercially sensitive negotiations.

**Deputy Verona Murphy:** Hardly. They are guidelines.

**Mr. Liam Sloyan:** They are for use by our staff in the conduct of those negotiations. A lot of this material has been published. We can provide the committee with those elements, but I would be concerned about protecting our negotiation process.

**Deputy Verona Murphy:** Let us reconsider the reasons for not passing the guidelines along when they are ready.

**Mr. Liam Sloyan:** That is the best approach to take.

**Deputy Verona Murphy:** Perhaps the committee could keep this issue in mind.

**Chairman:** I have a couple of questions for our witnesses. The first concerns negotiations with private providers. Negotiations will sometimes break down. Does the NTPF keep records in those cases showing why they broke down?

**Mr. Liam Sloyan:** The Comptroller and Auditor General's recommendation pertains to

negotiations that go to review. When agreement cannot be reached between the negotiation team and the nursing home, the nursing home can request that the file be reviewed by the chief executive. As stated, that has not happened many times. The report refers to two such instances per annum in the years it covers.

**Chairman:** Does the NTPF keep these records? I would like Mr. Sloyan to answer “Yes” or “No”.

**Mr. Liam Sloyan:** Yes. We now keep management information. A file is always kept, but the Comptroller and Auditor General has recommended compiling a single document with management information relating to those negotiations. We are doing that.

**Chairman:** There are different levels of service and patient dependency. What steps has the NTPF taken to ensure that the level of care contracted for aligns with the services covered under the scheme as set out in the agreement?

**Mr. Liam Sloyan:** The quality of the services provided is supervised by the HIQA.

**Chairman:** I have heard Mr. Sloyan give that answer to other members. I understand the role of HIQA very clearly. However, the NTPF is a part of the negotiation process and HIQA is not in the room. HIQA sets the basic standard of care that should be required, but there are different levels of dependency. Are steps taken to ensure that the level of service and the costs set by the contract align with the services covered under the scheme?

**Mr. Liam Sloyan:** We can take assurance from the fact that the providers have been registered by HIQA. It publishes reports on its inspections, to which we have access. Those inspection reports normally include a plan for remedying any issues. We will often indicate that a provider needs to spend more money on one or other of these remedies. There is an opportunity for the nursing home to raise these points in negotiations. Review of the care provided is carried out by HIQA, but we all have access to those inspection reports.

**Chairman:** The NTPF arranges treatment for patients currently on waiting lists. Expenditure on this in recent years has been outlined. How was the €48.8 million spent in the year in question divided between spending in the State and spending in the North of Ireland? How do prices in the North of Ireland compare with those in the South?

**Mr. Liam Sloyan:** In 2018, one hospital in Northern Ireland was on the NTPF panel. Any services provided in Northern Ireland were provided there. We are conscious of how far we ask patients to travel for their treatment. Where possible, we try to treat them locally. That impacts on the number of patients who travel north of the Border. The vast majority of our funds are expended in this State.

**Chairman:** What is the approximate difference in the cost of similar treatment? Is it similar?

**Mr. Liam Sloyan:** If I were to answer that, I would be telling everybody what the rates being offered by that hospital in Northern Ireland are and how they compare. I am not sure that it would take kindly to that. I am not sure whether it suits us to be discussing it either.

**Chairman:** Is Mr. Sloyan happy the NTPF is getting value for money?

**Mr. Liam Sloyan:** We are very happy we are getting value for money.

**Mr. Seamus McCarthy:** I wish to make a point lest people misunderstand. We were recommending that management information be kept relating to protracted negotiations. There are a significant number of nursing homes where negotiations become protracted for whatever reason. We were suggesting that that be monitored. It is not just a question of those where negotiations break down and which then subsequently proceed to a formal review. There are obviously other problems in the system that result in nursing homes being on short-term contracts or contract extensions.

**Chairman:** Does the NTPF take the same approach it uses with the fair deal scheme when it is purchasing treatment for patients on hospital waiting lists?

**Mr. Liam Sloyan:** The role is different in respect of the two. For the fair deal scheme, our statutory role is to negotiate. If we are arranging treatments in hospitals, it essentially falls under procurement rules and procurement guidelines. We are talking about open tenders and people submit prices.

**Chairman:** It is an open tender process for the hospitals.

**Mr. Liam Sloyan:** For the hospitals, yes.

**Chairman:** Mr. Sloyan spoke to one of the other members about the impact of Covid on waiting lists. How many people are on waiting lists for procedures? Obviously the NTPF has looked at projections for where we might be in four months' time. Can Mr Sloyan shed any light on that?

**Mr. Liam Sloyan:** We are working on projections. The budget just came through. It has been quite a year. The Chairman will appreciate that. Things are changing rapidly.

**Chairman:** I know that. That is the reason I asked the question.

**Mr. Liam Sloyan:** What we can look to are the performances on the various waiting lists in recent months. We are constantly analysing things and we are doing our analysis. As I say, in recent months there has been a decline in the waiting list for those waiting for inpatient day-case procedures. There has been some stabilisation in respect of both scopes and outpatients.

**Chairman:** Does Mr. Sloyan envisage an increase in the next three to four months?

**Mr. Liam Sloyan:** We only just received our budget two days ago. We are going to have to allow for that and assess the impact of that, and indeed-----

**Chairman:** Within the NTPF's internal processes, surely it does not just look at tomorrow. It must be looking three, six, ten-----

**Mr. Liam Sloyan:** We are, and we have to work with our colleagues in the HSE as well. One of the things I often point to is that the NTPF is essentially that marginal extra bit of treatment that is provided. The vast majority of treatment is still provided by our colleagues in the HSE. In projecting the waiting lists, we need to take account of its projections and how much activity it is going to. I would need to speak to it and to combine its work with ours.

**Chairman:** I am trying to elicit this from Mr. Sloyan. Does he see it increasing or stabilising? Which is it?

**Mr. Liam Sloyan:** What we have seen-----

**Chairman:** That is not to take from what Mr. Sloyan said already.

**Mr. Liam Sloyan:** What we have seen in recent months is a stabilisation.

**Chairman:** Stabilisation.

**Mr. Liam Sloyan:** We always want to make things better and better. That is-----

**Chairman:** Okay. We have a bit of time so I will allow some members to come back in a second time. I call Deputy Dillon, followed by Deputy Verona Murphy.

**Deputy Alan Dillon:** Page 11 of the 2018 financial statements deals with internal control and non-compliant procurement. We see expenditure of €425,000 for services in this area. I ask Mr. Sloyan to provide details of what this money was spent on?

**Mr. Liam Sloyan:** As I referenced, there was a time of very rapid growth in the organisation and some arrangements were extended because, I suppose, we needed to do the job of bringing down waiting lists as quickly as we could. The areas that were covered by this included the communications. They included the system that we had for managing patient treatments. They included our business backup system. They included our legal advice.

**Mr. John Horan:** In defence of my chief executive, he only arrived in May 2017. Before that we did not have a full-time chief executive. We were very quickly given additional funds and asked to ramp up our activities and get back into the commissioning of patient treatment, which we had been out of for a number of years. He was tasked with that job to get us back up there. That ran up to 2018. Members will see the results that were quite strong for 2018 in terms of getting people off waiting lists and getting people treated faster. He had to do that pretty well on his own initially. He has built up his team to where he says he is now satisfied. Through 2018 he did not have the full advantage of having a full team. We did have to rely on some external services and some of those were rolled over from previous times. I can tell members that all those that are described as being non-compliant in 2018 are fully compliant now and were quickly rectified.

**Deputy Alan Dillon:** We can see the due diligence and the governance issues regarding non-compliant procurement for the amount of money stated here. What does the NTPF have in place to mitigate this?

**Mr. Liam Sloyan:** All of our procedures are in place now. We have contract management. We have procurement advisers. As my chairman has said, all of these matters have been resolved.

**Deputy Alan Dillon:** I have one final question. Banking charges have increased from €532 in 2017 to €14,492 in 2018. In everyone's eyes that is 27 times what was paid in the previous year. What banks are involved and what discussions did the NTPF have with the banks on this cost?

**Mr. Liam Sloyan:** I think this is something that we have seen in a number of agencies in this year. I will just speak to us. We went into a negative interest rate environment and so-----

**Deputy Alan Dillon:** What types of charges were incurred to give that scale of increase?

**Mr. Liam Sloyan:** That charge reflects a negative interest charge on our account, largely but not all of it. Some of it was increased activity because we are now arranging treatments and

so there were an awful lot more invoices being paid and the like. There would, therefore, have been charges there too, but part of it was a negative interest charge.

**Deputy Verona Murphy:** I want to go back to the guidelines. For transparency and for everybody here and for the whole system, the committee will need those guidelines. I cannot envisage any GDPR issue. The whole system needs to be transparent and for the public expenditure aspect of it and looking after the coffers, we need that transparency. I am emphasising that I want the guidelines. The committee should have the guidelines on that basis.

**Mr. Liam Sloyan:** I was not suggesting it was GDPR.

**Deputy Verona Murphy:** I cannot think of any reason given that it is public money.

**Mr. John Horan:** I can offer a reason, one that comes to mind straightaway, that we might not want to make these internal guidelines widely available. Our statutory role is to negotiate, not to procure or go to tender. Mr. Sloyan referred to keeping one's cards close to one's chest in the context of negotiation. If we were to come up with guidelines and were able to state that for a particular factor we would add 10% while for another we would add 20% and so on and, thereby, come up with a model through which one would determine the price, that would become predetermined and prescriptive. It would not be a negotiation but, rather, having the model, ticking all the boxes, pressing a button on the computer and getting a price. That is the sort of modelling that could be used, but that is not our statutory function.

**Deputy Verona Murphy:** That is not how I see it from a public accounts perspective. The committee is not a representative of nursing homes. We look after how the NTPF spends the money.

**Mr. John Horan:** Yes.

**Deputy Verona Murphy:** My information and personal knowledge is that a nursing home bed in County Waterford costs approximately €1,000 under the NTPF, but a bed in County Wexford is approximately €910. I do not understand the disparity from county to county. I am concerned that we will eventually run out of private nursing home beds because of the lack of transparency within the sector. In light of the cost of public nursing home beds, we need to keep the private sector. There is no doubt about that. I am not advocating for the private sector. The job of the committee is to look after the public purse. It needs a level of transparency in which everybody can have faith. I was glad Mr. Sloyan stated that the guidelines will be available in a matter of weeks, but I am determined that, for the sake of transparency, they should be provided to the committee. If they are not provided, I will need to see substantial evidence as to why that was not done.

**Mr. John Horan:** On the Deputy's concern about continuing to have the private sector involved in this area, the record shows that the number of nursing homes and, in particular, the number of beds have been increasing steadily year on year. Whatever we are doing, it is not depressing the number of people who are willing to invest in the sector. People are willing to invest in it and, please God, they will continue to so do.

**Deputy Verona Murphy:** I ask Mr. Horan to let the committee see the growth rate figures. A chart showing the growth rate figures since the review was ordered in 2015 should be provided.

**Chairman:** We need to move on as there are only a couple of minutes left. To be helpful, I

ask that Mr. Horan examine the matter of the guidelines.

**Mr. John Horan:** We can certainly provide the committee with those figures.

**Chairman:** I do not wish to take away from the comments of Mr. Horan. I heard what he said with regard to not wishing to prescribe what the charges may be, but I ask that the information regarding how the criteria are used in reaching a determination be provided to the Deputy.

**Deputy Verona Murphy:** Absolutely. I am not asking for anything unreasonable. I ask that the committee be notified when the guidelines have been prepared. Mr. Sloyan stated that they will be ready in a matter of weeks, so the committee will expect to hear from him on the matter within weeks and then receive the guidelines.

**Mr. Liam Sloyan:** We will issue a response to the committee.

**Chairman:** Several issues have been raised. I thank them for answering members' questions. I ask them to give further consideration to the issue of the guidelines and the current lack of a manual for negotiations. I listened carefully to the witnesses' remarks in that regard. There are different pieces that they use. The issue of component costs needs to be tied down completely. The issue of the maximum price becoming the standard price needs to be examined. Progress is being made, but members have expressed concern on several issues based on the report of the Comptroller and Auditor General and their examination of it.

I thank the witnesses for joining us and providing the information they have given us. I thank Mr. McCarthy for assisting the committee today and in preparing for the meeting. I thank members for their questions. I thank the clerk to the committee and the committee staff. We are operating in strict and restricted circumstances under the Covid guidelines. Co-operation in that regard has been very good. Is it agreed that the committee request that the clerk to the committee seek any follow-up information and carry out any agreed actions arising from this meeting? Agreed.

*The witnesses withdrew.*

The committee adjourned at 1.25 p.m. until 4.30 p.m. on Wednesday, 21 October 2020.