The Health Vote: What is the link between funding and performance?

An Oifig Buiséid Pharlaiminteach
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This infographic highlights some aspects of the way in which the €17 billion in funding scrutinised by the Select Committee on Health and approved by Dáil Éireann for 2019 is currently structured with respect to performance budgeting.

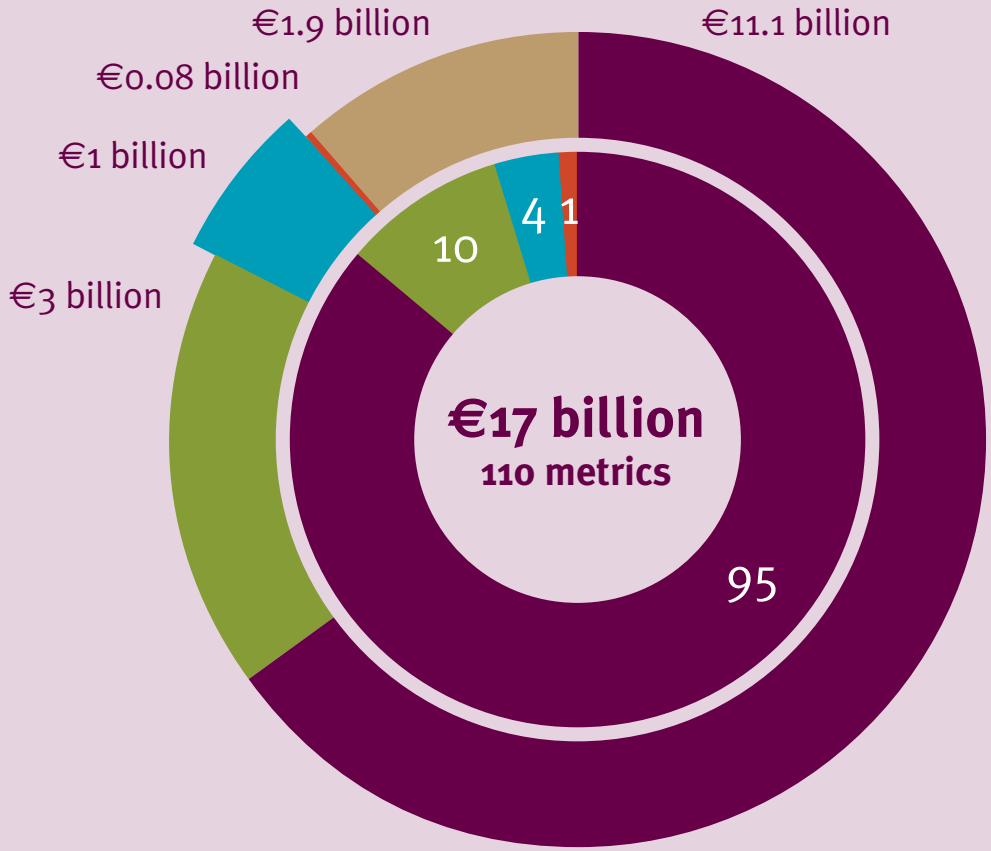
The Health Vote has an atypical structure (see PBO Note 28 of 2018) – the way in which Health expenditure is presented in the Revised Estimates has been recommended for reform since the Considine Report in 2008.

The PBO has previously see (Briefing Paper 14 of 2018) discussed the challenges in tracing the relationship between what the Dáil approves and what the HSE spends.

Performance metrics in the Revised Estimates for Public Services are not linked to specific allocations. This breaks the link between financial inputs and metrics, which is integral to performance budgeting. Without this linkage, we cannot accurately measure performance in any given year or track it over time to see whether it is improving or dis-improving.

Figure 1 – Health Vote allocation 2019 and corresponding number of performance metric targets*

Performance metrics provide information on the number of outputs, activity rates and outcomes of government programmes. They are essential in assessing the effectiveness and efficiency of expenditure.



Source: *All metric data shown in this infographic is based on a Department of Health letter of 5 February 2019 to the PBO. Financial information is sourced from the Revised Estimates for Public Services 2019 and Appropriation Accounts 2017.*

The Health Vote consists of 9 cost centres divided into 36 subheads. Of these, only 4 subheads (J, L.1, L.2 and E.1) have metrics. These 4 subheads do however constitute approx. 90% of the Health Vote.

Subhead J has an allocation of over €11.1 billion comprising 17% of *all* Dáil Voted expenditure. There are 95 target metrics associated with that amount in 2019. In the absence of apportionment of that total allocation to the individual metrics, it is impossible to track performance. The relationship between Subhead L.2 and its 4 metrics is set out overleaf to show how the process of matching allocations with metrics should be useful when scrutinising performance.

** The Department of Health was unable to supply 2019 metrics and 2018's targets were simply replicated for 2019 in the Revised Estimates 2019.*

- J - HSE (including service developments)
- L.1 - Primary Care Reimbursement Services
- L.2 - Long Term Residential Care
- E.1 - Developmental, Consultative, Supervisory, Regulatory and Advisory Bodies
- Allocation not linked to any metrics

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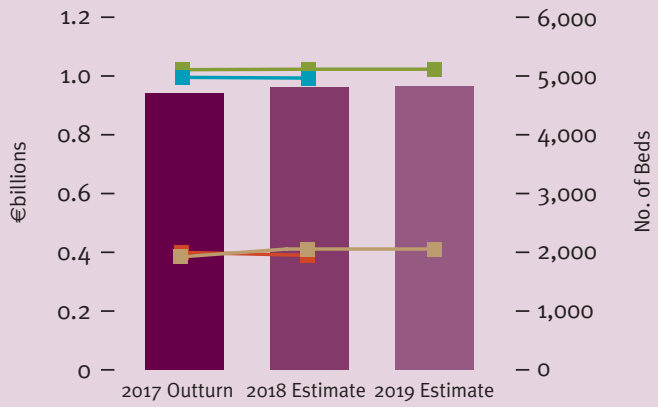
How performance budgeting could show what is being delivered with Voted Monies

Figure 2 (a-c) – Subhead L.2: Long Term Residential Care and Other Services for Older People – Residential Care

Subhead L.2 has an allocation of €966 million for 2019 and performance is measured by 4 metrics. The charts in the three boxes below set out how performance budgeting could help to show where money is being spent and what is being delivered. This would rely on using good quality metrics apportioned to specific financial allocations. In Figure 2(a) below, for example, this should show how much of Subhead L.2's allocation can be apportioned to providing NHSS or short stay beds in public long stay units.

These three charts match total subhead expenditure over the period 2017-2019 with the actual performance of metrics (for 2017-2018) set against targets (2017-2019). It is unclear how much of that expenditure relates to each metric. Figures 2(a)-(c) therefore illustrate the same financial allocation (lhs) but different types of metrics (rhs). The key takeaways provided should be treated as *purely illustrative*.

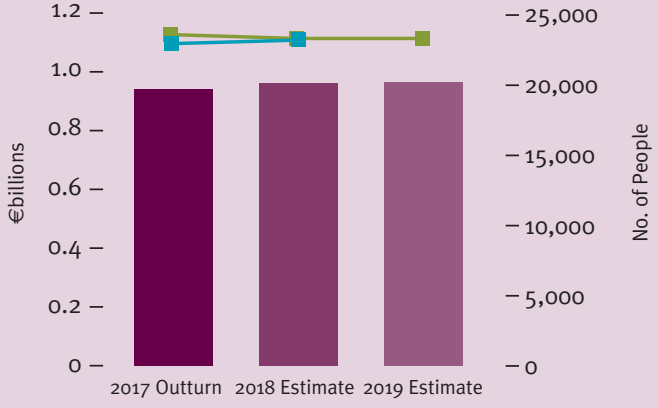
Figure 2(a) – Target and Actual No. of Nursing Home Support Scheme (NHSS) and short stay beds in public long stay units



Key takeaway: Performance for either metric did not meet the target in 2018 despite the increase in subhead funding.

- Target No. of NHSS beds in public long stay units
- Actual No. of NHSS beds in public long stay units
- Target No. of short stay beds in public long stay units
- Actual No. of short stay beds in public long stay units

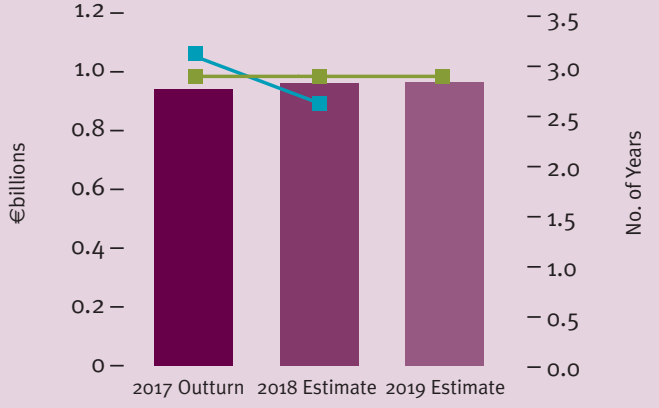
Figure 2(b) – Target and Actual No. of persons funded under the NHSS in longterm residential care



Key takeaway: Performance did not meet the target in 2017 but improved in 2018.

- Target No. of persons funded under the NHSS in longterm residential care
- Actual No. of persons funded under the NHSS in longterm residential care

Figure 2(c) – Target and Actual average length of stay for NHSS clients in public, private and saver longstay units



Key takeaway: Funding for the subhead has increased over the period 2017-2019 and the target was that the average length of stay would remain relatively static. In fact, the actual outturn (between 2017 and 2018) for this metric shows the average length of stay declining.

- Target Average length of stay for NHSS clients in public, private and saver longstay units
- Actual Average length of stay for NHSS clients in public, private and saver longstay units