



Public Accounts Committee Meeting

January 26th 2012

Opening Statement

by

Mr Cathal Magee

**Chief Executive Officer,
Health Service Executive**

Good morning, Chairman and members of the Committee. Thank you for the invitation to attend the Committee and discuss matters arising from four chapters of the C&AG's annual report 2010.

Chapter 43 Primary Care Teams

The development of Primary Care Teams follows the strategic direction set out in the Primary Care Strategy 2001.

At the end of December 2011 there were 425 Teams in operation which is 87% of the revised HSE target of 489. The pace of development has been slower than anticipated. The 425 Primary Care Teams are at various stages of maturity and development. They provide services to a population of over 3.4 million with 3,117 staff members and over 1,592 GP participating.

The HSE welcomes the audit carried out by the Comptroller and Auditor General on Primary Care Teams and accepts the recommendations included in the report. The HSE has already made significant progress in addressing some of the shortcomings highlighted and implemented many of the recommendations.

The audit recommended that considerable work is needed to achieve greater integration with local secondary care and we are working towards achieving this objective. The implementation of care pathways for chronic diseases will lead to improvements in integration with our hospital services and simplify access for the patient. We are also working with each hospital to simplify patient discharges from hospitals to the care of primary care teams.

The governance and management model of Primary Care Teams is currently being reviewed to take account of the models of care proposed under the Programme for Government. A joint working group comprising Department of Health and HSE officials has been set up by Minister Shorthall to develop the Primary Care model.

Chapter 44 Development of Primary Care Centres

In parallel with the development of Primary Care Teams, the HSE is pursuing the initiative to procure appropriate Primary Care Centres to accommodate these Teams. Having all Primary Care Team members located in one Primary Care Centre is the preferred option which allows services to be delivered on a single site, providing a single point of access for the user and encouraging closer team working with the health professionals.

There is no contractual commitment on GPs to participate in primary care teams. Accordingly, in the development of Primary Care Centres, a condition was required to ensure GP presence in those centres and their participation in the teams.

The assessment of delivery options for the centres was undertaken with an imperative that primary care teams would be co-located with GP groups in a single location. This was already policy and therefore any evaluation of the most economically advantageous way of delivering the centres would start with this core delivery requirement.

Chapter 46 Protecting the State's Property Interest

HSE agrees with C&AG conclusions. HSE has always registered security against third party assets where capital grants are made to section 39 agencies. In the case of the larger voluntary hospital sites HSE has taken security, since 2008, over all the main hospital assets whenever a grant is now made.

When the HSE sought to put in place this security arrangement with St Vincent's Healthcare Group (SVHG), in 2010, when it was funding the now under construction €30m ward block, it emerged that a €200m grant for the clinical science building had been made to SVHG in 2004 (pre HSE regulation) without the funded assets being secured in favour of the state (through a legal security instrument).

St Vincent's Healthcare Group, in obtaining bank funding for its private hospital, had given funders a floating charge on all its assets. The creation of this security made it impossible for HSE to secure first ranking security for the state over the entire public hospital. The HSE brought this issue to the attention of the C&AG at that point.

The situation at SVHG cannot be repeated on any assets funded since 2008, due to the 2008 protection of state's interest, introduced by HSE.

Chapter 48 Nursing Home Support Scheme

The Nursing Home Support Scheme (NHSS - Fair Deal) was introduced in October 2009 as a demand-led, means-tested, resource-capped *national* scheme.

The purpose of the Scheme was to introduce more equitable and transparent financial support for people in long-term residential care. It provides a co-payment, uniform system of financial support irrespective of whether the person is in a public or private bed.

At the end of December there were **22,341 people supported under the scheme**. Additionally, there were 583 persons whose application was determined to final stage but who were still on the national placement awaiting placement approval. During 2012 it is projected that 23,611 people will be supported under the scheme with a projected net increase of 1,270 persons.

This concludes my statement and together with my colleagues we will take any questions that you might have.

Thank you, Mr Chairman.