



PAC-R-389

Correspondence 3.11
Meeting – 22/03/2012

Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive



Health Service Executive
Parliamentary Affairs Division
Block D, 2nd floor
Parkgate Business Centre
Parkgate Street
Dublin 7

Tel. (01) 635 2505
Fax (01) 635 2508

20th March 2012

Ms. Eimear Lavelle,
Committee Secretariat,
Public Accounts Committee,
Leinster House,
Dublin 2.

Dear Ms. Lavelle,

I refer to your recent correspondence concerning a letter from Donal Duffy, Secretary General, of the Irish Hospitals Consultants Association which was forwarded to the HSE to prepare a note on the issues raised therein.

I attach for the Committees attention an update on the matter from the HSE's Integrated Services Directorate.

If any further information is required please do not hesitate to contact me.

Yours sincerely,

Ray Mitchell
Assistant National Director
Parliamentary & Regulatory Affairs Division

Response to issues raised in correspondence from the Irish Hospital Consultants Association (8th December 2011) to the Public Accounts Committee

The following sets out the HSE response to the issues raised in the IHCA correspondence.

Public Private Measurement System

The consultant contract measurement system is divided into 4 separate measurement streams: Inpatients, Daycases, Outpatients and Diagnostics. Casemix weightings allow for the fact that different patients require differing levels of resources during the course of their treatment and these weightings are used in the Inpatient and Daycase streams with other hospital systems used to measure activity in the Outpatient and Diagnostic streams.

The use of Casemix weightings was agreed at the Joint Public Private Ratio Working Group which consists of representatives of the HSE, DOH, IHCA, IMO and ESRI. At this group's first meeting the view was expressed by the Consultants that the current National Casemix Programme appeared to be as capable as any other system available. Since 2008 numerous modifications to the measurement system have been made as a result of decisions agreed by this group.

It is important to emphasise that in line with the Comptroller's definition the Casemix system does not capture all patient *throughput* data for in-patients and day case. This is the important unit of counting that was agreed previously with IHCA and is emphasised in their letter of the 08th December 2011. There is therefore no difference between the HSE and the Comptroller in definitional terms. The Casemix adjustment that is applied takes into account many of the clinical activities identified by the IHCA.

Consultants Clinical Activity

This issue of non core clinical activity' not coded on the Hospital In Patient Enquiry (HIPE) system has been raised by the IHCA at this group. No evidence has been presented that this activity is biased more towards public or private patients and hence no adjustment in respect of this activity can be made. Emergency Department (ED) activity is not included in the In patient or Daycase measurement streams as ED activity is not covered by the HIPE system.

All parties acknowledge that this is an issue and it is still under discussion with the joint working group (which comprises all stakeholders).

Income Collection

In respect of income collection local hospital staff, both medical and administrative, should ensure that these forms are both made available to and be signed by consultants as soon as possible after each discharge has taken place. Any delays in this process are monitored at local level and any issues arising can be managed locally either by the Clinical Director or hospital manager/CEO. There is a national team in place with a goal to reduce the value of claims awaiting consultant action from an average time of 70 days in 2010 to an average of 30 days in 2012. Actual performance in 2011 was 55 days, a reduction of 15 days. In monetary terms, the value of claims awaiting consultant action reduced from a value of €89.1m at 31st December 2010 to €70.4 million at 31st December

2011, an improvement of €18.7. (21%). Key initiatives that took place in 2011 and resulted in this improvement included;

- Reporting – improved, detailed and more regular reporting of income targets and actual performance per hospital. Targets were set for each hospital and progress was measured and reviewed on a weekly basis. Debtors Days Reports are now included in the HSE Performance Report.
- Consultant Posts – Applicants by hospitals for appointment of new or replacement consultant posts as Type B must be backed up by a comprehensive plan outlining the hospital's current income position and a comprehensive plan to achieve the national target of 30 days if the hospital in question is currently in excess of 30 days.
- VHI Pilot Scheme – this scheme, which allows a secondary consultant involved in a case to sign the claim form after a defined period of time, has been extended to a total of thirty hospitals.
- Electronic Claiming – the HSE has published a tender for the supply and installation of a Health Insurance Management System for eleven of its largest hospitals. This tender will close on the 03rd February 2012 and it is hoped to commence roll-out by the end of March 2012. The rollout of this electronic system will reduce the administrative effort for both hospitals and consultants by eliminating the use of hardcopy forms and interfacing relevant data from existing systems.
- eClaims – the HSE are working with the three primary health insurers and the Department of Health to define and agree a common dataset for transmission between hospitals and insurers.

The key areas for focus for 2012 to reach the intermediate target of 30 days will be;

- Rollout the electronic claims management system
- Work with the consultants who have the highest value of claims outstanding. The value of claims awaiting consultant action for the top 20 consultants ranked by value outstanding at the 31st December 2011 amounted to €9.7m (an average of €485K outstanding per consultant)
- Continued focus on targets and actual results for each individual hospital
- Work with the Private Health Insurers and the Department of Health to agree the dataset/rule-set for the submission and payment of claims.

National Director
Integrated Services Directorate
March 2012