

Opening Statement

Opening statement by Mr Michael Scanlan, Secretary General of the Department of Health & Children at the meeting of the Dáil Committee of Public Accounts on Thursday, 7th May, 2009.

Chairman and members of the Committee

Introduction

I am pleased to have another opportunity to meet with the Committee and to discuss the 2007 Annual Report of the Comptroller and Auditor General and Appropriation Accounts in relation to Vote 39 - Department of Health & Children and Vote 41 – Office of the Minister for Children and Youth Affairs.

The principal objective of the Department of Health & Children is the improvement of the health and wellbeing of the people of Ireland. When measured against major health indicators and our EU counterparts, it is evident that Ireland has achieved very significant health gains over the past decade and has delivered more healthcare to more people than ever before.

Life Expectancy and Improved Health Outcomes

By way of example, life expectancy in Ireland is now above the EU average for the first time. We have added 8.5 years to our life expectancy since we joined the EU in 1973. Back then, it was 71.09 years now it is 79.6 years. There has been a reduction of 38% in circulatory system disease between 1997 and 2005. In addition, over the same period, the cancer mortality rate has fallen by 13% and it is now close to the EU average. In terms of breast cancer, the five-year relative survival rate is about 80% for the period 1999-2004 – the highest rate of improvement in the OECD.

Activity Levels

In acute hospitals, 1.3 million in-patient and day cases are treated annually – up 30% since 2002. Daycase numbers have increased by 130% during the last decade and now constitute 50% of all acute hospital in-patient treatment. Infant mortality is also down by 35% in the last ten years.

Focus on greater efficiency

Against that backdrop, we now face into a period of change and will face enormous financial pressures to maintain, not to mention develop, our health services. In this respect, we are no different to other States across the globe. The challenge will be to deliver accessible, high quality and equitable health services to those who need them, when and where they need them within the current economic downturn and the deterioration in the public finances.

In order to achieve this, the critical focus must be on how to achieve better outcomes for the level of resources invested in the health services – nearly 30% of total gross Government expenditure. This will require an increased and more forensic focus on how the money is spent, on the outcomes achieved, on how waste can be further reduced, on how costs can be better controlled and on how to build greater incentives into the system in order to achieve these goals.

Now, more than ever, greater efficiencies and value for money initiatives will be required from the healthcare system. This will include the introduction of more evidence-based decision making, more rigorous technology assessment, better management processes, new and more flexible work practices and more effective governance.

Success will only be achieved if we continue to build on the hard work and commitment which staff working in both the health service and in the Department of Health & Children deliver for the benefit of the public on an ongoing basis.

As the reform programme in the health services continues and the HSE enters its fifth year, I would like to use this opportunity to outline how the devolution of funding and with it, certain key responsibilities, has affected and changed the role of the Department of Health & Children and how the Department has responded, and continues to respond, to the challenges it faces on a daily basis and will face in the future. As requested, I will also address the Internal Audit function as well as Risk Management within the Department.

Staff in DoHC

In whole time equivalent terms, approximately 475 people work in the Department spread across 10 Divisions. Our Statement of Strategy explains what we are trying to achieve and the steps we are taking to meet our objectives. Inevitably, however, documents like this don't give a real sense of what goes on inside the Department week in week out.

Understandably, there remains some confusion about the respective roles of the Department and the HSE. Our ultimate customers are the same - the people who need and use the Irish health care system - and we work together on a daily basis to try to ensure that the best possible services are provided to the people of Ireland.

This does not mean that the work of the HSE is being duplicated in the Department or visa versa. We each have our own roles and responsibilities. The Department's primary role is to help the Minister for Health & Children fulfil her political accountability for the overall performance of the health system through our parliamentary work.

Parliamentary Work

Parliamentary support accounts for a significant volume of work within the Department. In addition to the staff working in the offices of our Minister and Ministers of State, staff right across the Department deal with very large numbers of parliamentary questions, ministerial representations, Dáil and Seanad debates, Government Memoranda and Oireachtas and Cabinet Committee meetings as well as briefings and speeches for our Minister, Ministers of State, the Taoiseach and other Government Ministers.

The Department of Health & Children receives approximately 20% of all PQ's put down by members of Dáil Eireann and in 2009 can be expected to handle 6000 PQs; 8000 Ministerial representations; 120 Dáil and Seanad Debates; 1,500 briefs and over 500 speeches for the Minister, Ministers of State and other Government Ministers as well as prepare for meetings of Oireachtas Committees and various Cabinet Committee meetings

Functions of Department of Health & Children

Preparing legislation is a core function of any Government Department. Fifteen Acts sponsored by Minister Harney have been enacted by the Oireachtas since 2005, four Bills are currently before the Oireachtas, two more are due to be published shortly and a further eight are currently in preparation. We also deal with a lot of secondary legislation. Last year alone, we finalised 42 Statutory Instruments, most dealing with the transposition of EU Directives in areas like food additives, sale of tobacco and recognition of professional qualifications.

Health, just like the economy and the environment, is a global issue. Like other Departments, we represent Ireland's interests in our dealings with the various EU institutions, liaise with Ministerial/official counterparts in other jurisdictions, work closely with colleagues in Northern Ireland on North/South issues and have a lot of dealings with the World Health Organisation, the OECD and other international organisations.

Patient safety has been identified by our Minister as a key issue in the health reform programme. While the HSE clearly has a major role to play in quality assuring its own services, the Minister and Department have a wider role. Staff in the Department supported the work of the Patient Safety Commission, whose report was launched recently by the Minister, and it is the Department's Chief Medical Officer who is responsible for overall implementation of the Commission's recommendations.

Risk Management

The assessment and management of risk is a key concern of the Department of Health and Children. A Risk Management Committee is in place and has overseen the development of a Risk Register, a dynamic database, which is regularly reviewed and updated. The proactive management of risk is also integrated with the Department's Business Planning process, with Business Plans required to link business items with risks on the Risk Register. Reports are regularly made to the Department's Management Committee on the key risks throughout the Department and on the actions being taken to minimise these risks.

External Stakeholders

The establishment of the HSE reduced the number of organisations delivering public health services but there are still a significant number of State agencies within the health sector. These include the Health Information and Quality Authority, Voluntary Health Insurance, Irish Medicines Board, Irish Blood Transfusion Service, the Food Safety Authority, Health Research Board, the National Treatment Purchase Fund and the various professional regulatory bodies. In addition to the normal oversight functions (such as negotiation/allocation of budgets, implementation of Government pay and employment policy, and submission of annual accounts) we work closely with these bodies to ensure the service they deliver is in line with the Minister's policy requirements.

The Department has the lead role in relation to a wide range of other issues such as eligibility for health services, blood policy, food and medicines (we deal with food safety, medicines, cosmetics, controlled drugs, etc.), national social partnership, assisted human reproduction, post mortem policy and adoption. Like any organisation, we also have our own internal support functions – dealing with issues like HR, finance, ICT, corporate services and legal services.

We have a lot of dealings with other Government Departments, particularly in relation to issues that impact on health – for example, the Department of Justice, Equality & Law Reform about forensic mental health services and misuse of alcohol, the Department of Education & Science about disability and school health promotion, the Department of Agriculture & Food about food safety, and the Department of Transport about road safety.

The Office of the Minister for Children & Youth Affairs has, in a way, become a victim of its own success. In addition to the former National Children's Office and child welfare and protection unit, it includes staff that used to work in other Departments

and now has operational, as well as policy, responsibility for the national childcare investment plan and youth work.

Health Service Executive

As you know, although the HSE has its own Vote, it is the Minister for Health and Children who negotiates and agrees the health estimates at Government each year and it is the Minister who, like all Ministers, reports to Government regularly and to this Committee about the way the Vote is being managed throughout the year. The Department works closely with the HSE on all these issues but ultimately it is the Department and the Minister which reports to the Department of/Minister for Finance. The same arrangements apply in relation to capital and ICT spending by the HSE, and other health agencies.

Internal Audit Unit

The Department has an internal audit function in place in line with the recommendations of the Mullarkey Report. The Audit Committee operates to a written charter which sets out its role and functions in relation to financial reporting, internal control, risk management, internal audit and compliance. The Committee provides an independent and objective evaluation and assurance function. The internal audit programmes is linked to the Department's Risk Register and 20 audit reports have been completed during 2007 and 2008.

Expert Group on Resource Allocation in the Health Sector

The Committee may be interested to note that on Wednesday 1st April, the Minister for Health and Children announced the establishment of an Expert Group on Resource Allocation in the Health Sector to be chaired by Professor Frances Ruane, Director, ESRI. The Expert Group will examine how the existing system of resource allocation within the Irish public health service can be improved to support better the aims of the health reform programme. These aims are;

- improved health status and outcomes for people;
- quality assurance and patient safety;
- speed and equity of access, and sustainability, within the resources that are provided by the Government and Oireachtas.

The Group has been asked to report to the Minister for Health and Children and the Minister for Finance by April 2010.

Employment

The Minister and in turn, the Department, are responsible, in accordance with the Health Act 2004, for ensuring that Government policy on public service pay, employment control, conditions of service, superannuation and industrial relations are adhered to by the HSE, and other health agencies. We work closely with colleagues in the Department of Finance and the HSE/agencies on all these issues. Our staff are involved in national pay negotiations and in major health sector negotiations (such as the negotiation of the new consultant contract and the resolution of the nurses dispute in 2008).

The Department of Health & Children is also responsible for long-term planning, including workforce planning, and policy development. We have produced policy documents such as *A Vision for Change*, the *Cancer Control Strategy* and the *Primary Care Strategy*. We are acutely conscious, however, of the need to improve the link between policy development and implementation. For that reason we have concentrated on working with the HSE to agree specific measurable target outputs and outcomes each year. No longer can health be seen as a "black hole". The Service Plan and the Performance Evaluation mechanisms now give a much clearer

description of the nature and quantum of the health and personal social services being provided to the people of this country. This is surely what it is all about – working with the HSE to improve these vital services year on year.

The Minister for Health & Children is responsible and accountable for health policy and the delivery of that policy by people working in the HSE, HSE-funded organisations and other health agencies. The recent report by the Task Force on the Public Service highlighted the need for a new focus on the capacity of Departments, as the primary locus of policy formulation and advice for Ministers, to exercise their oversight functions.

Conclusion

The Department of Health & Children has contributed in no small part to the measurable and exceptional improvements in health outcomes experienced by people in Ireland over recent years. There is always room for improvement and we can, and must, improve the way we work. However, the people working in the Department of Health & Children have every right to be proud of the work they do and the commitment they bring to that work.

Thank you for your attention.