

MID-WESTERN
HEALTH BOARD

7th January 2004

To: Cáthaoirleach & Each Member
Mid-Western Health Board

Report No:
Item No on the Agenda

Report of the Meeting of the Board to be held on Friday, 9th January 2004

Chief Executive Officer's Overview of Financial Results

Dear Member,

1. Introduction

The Board recorded a positive variance against budget for November 2003 of €4.137k mainly due to changes in non pay budget weightings and receipt of additional funding for inflation. Year to date the Board is underspent by €3,372k.

2. Outturn to end November 03

The outturn to the end of November is summarised as follows:

	Current Month	Year to Date
	Variance	Variance
	€'000	€'000
Pay	399	1,132
Superann	140	274
Non-Pay	2,571	-3,126
Income	1,026	5,092
Surplus/(Deficit)	4,137	3,372

3. General Commentary

Pay is underspent in the current month by €399k and year to date by €1,132k. The underspend in the month is mainly due the receipt of additional funding for Increments and Superannuation. The year to date underspend is due to the number of vacant posts in Community Care and Mental Health.

	Pay		Superannuation	
	Current Month	Year to Date	Current Month	Year to Date
	Variance	Variance	Variance	Variance
	€'000	€'000	€'000	€'000
Acutes	-18	-1,958	66	126
Elderly Care	184	721	22	40
Mental Health	150	632	11	-73
Community Care	230	1,872	31	120
Central Services	-148	-135	8	59

3 (ii) Non Pay Expenditure

Non-Pay expenditure is underspent in the current month by €2,571k and overspent by (€3.126m) year to date. The main negative variances recorded were:

	Current Month	Year to Date
Non Pay by Caregroup	Variance	Variance
	€'000	€'000
Acutes	2,656	437
Elderly Care	-152	-1,353
Mental Health	-307	-671
Community Care	334	-3,528
Central Services	39	1,988

	Current Month	Year to Date	
	Variance	Variance	
Non Pay by Category	€'000	€'000	Comments
Demand Led Schemes	448	-2,572	No Supplementary Estimate
Clinical Costs	186	-3,073	Historic core underfunding and increased drug costs
Legal Fees	341	-954	A specific High Court Case and no of cases in Childcare.
Cleaning	-20	-727	Budget deficit exists and closure of Our Lady's Ennis.
Maintenance	-172	-1,208	Refurbishment contracts in a number of areas.
Energy	35	-57	Core underfunding, no additional funding received
Education & Training	57	-281	Specialist Nursing courses.

The trends in non pay expenditure are as anticipated and are associated with the main demand led cost drivers. Working groups have been established in respect of each of the Demand Led Schemes, however considerable difficulty is expected to keep within the allocation

Travel & Subsistence.

Arrears due in respect of DOHC circular 8/2003 & 07/2002 to end of November 2003 amount to € 1.55m but are not included in the figures above. Funding has been now been received to meet these arrears.

Valuation Act (2001)

Demands for rates amounting to €280k in respect of certain health board properties previously exempted from rates have been received from Limerick City Council. Appeals have been lodged where appropriate

Income

Income is positive year to date by €5.092m.

	Current Month	Year to Date
Income	Variance	Variance
	€'000	€'000
Acutes	166	1,601
Elderly Care	83	723
Mental Health	19	413
Community Care	614	1,874
Central Services	42	479

4. Programme Analysis

4(i) Acute Hospitals

Caregroup: Acute Hospital Services

	Current Month	Year to Date
	Variance	Variance
	€'000	€'000
Pay	-18	-1,958
Superann	66	126
Non-Pay	2,656	437
Income	166	1,601
Surplus/(Deficit)	2,870	207

Financial Commentary

Pay

- Negative pay variance for November 2003 due to locum costs in respect of annual, sick & maternity leave for all grades.
- Ongoing cost of additional nursing staff due to intensive care of young chronic sick patient at Ennis GH.
- Payment to medical recruitment agency for A&E NCHD at Nenagh General Hospital.

Non-Pay

- Positive non-pay variance in November due to receipt of additional budget to contribute towards the impact of inflation.
- Favourable variance is also due to adjustments in respect of minor capital works & delays in the commencement of some elements in the Service Plan.
- Waste disposal costs continue to exceed budget as do energy costs which is related to high fuel costs

Superannuation

- Superannuation variance is positive this month & YTD due to receipt of additional budget in November

Income

- Year to date the positive trend in income continues due to payment in respect of blood products

Activity

ACTIVITY	TARGET	ACTUAL	VARIANCE
Inpatients	39,160	39,342	+182 (+0.5%)
Daycases	21,607	22,632	+1025 (+5%)
Outpatients (new)	30,827	30,966	+139 (+0.5%)
Outpatients(review)	100,263	100,097	-166 (-0.2%)
A&E (new & review)	76,799	77,806	+1007 (+1%)

Total activity is slightly ahead of target (1%) and is likely to remain so for the remainder of the year. The following is a breakdown;

- Inpatient activity is slightly above target this month. Individual specialities, which continue to exceed their target activity, are Paediatrics & GI Surgery.
- Day Case activity has risen by 5% this month, particularly in Medicine.
- New & review outpatient attendances were on target this month & year to date.
- A&E attendances are in line with activity targets. Overall new A&E attendances are below target activity levels with increased activity in review attendance.

4 (ii) Special Hospitals (Mental Health & Elderly)

	Current Month	Year to Date
	Variance	Variance
	€'000	€'000
Pay	334	1,353
Superann	33	-33
Non-Pay	-459	-2,024
Income	102	1,136
Surplus/(Deficit)	12	432

Financial Commentary

Pay

Pay has continued favourable overall in Special Hospitals due to unfilled posts in both Mental Health and Older Persons Services.

Within pay, specific areas are showing negative variances. These areas have been targeted for corrective action.

Non-Pay

Overall Non Pay continues to be unfavourable. Certain areas continue to show a negative variance and this is due to the increased costs of clinical waste, drugs & medicines and waste disposal. These core under funding issues have been identified on an on-going basis. Maintenance issues in the long stay facilities continue to impact significantly.

Income

Income continues positive year to date but requirements within the service may reduce the favourable position by year end and into the future.

Activity

Mental Health

New admissions and re-admissions to the Acute Unit in Limerick are below targeted levels due to major refurbishments work in the Unit at the Mid West Regional Hospital. In Clare acute admissions are generally in line with service plan targets.

Day Hospital new referrals are in line with targets but Limerick is under target due to refurbishment work and Clare is over target due to increased demand.

Clinic attendances are over target and this is again due to increased demand in Clare from Asylum Seekers and increased G.P. referrals and in Tipperary over target due to increased manpower to meet demand.

Older Persons

Overall admissions and discharges and in line with targets but some variations exist within the different categories of admissions and discharges.

Day Hospital attendances remain high due to demand in Limerick.

Attendances at Day Centres continue to exceed target levels reflecting the increased demand.

Respite care admissions continue to exceed targeted levels, which reflects the focus on community services and their availability.

4 (iii) Community Care (Primary Care, Disabilities, Child Care, Child Health, Child Psychiatry & Community Services)

Overall Financial Position

	Current Month	Year to Date
	Variance	Variance
	€'000	€'000
Pay	230	872
Superannuation	31	120
Non-Pay	334	-3,528
Income	614	1,874
Surplus/(Deficit)	1,211	338

Analysis by Caregroup

Caregroup: Primary/Community Services

	Current Month	Year to Date
	Variance	Variance
	€'000	€'000
Pay	77	280
Superann	12	0
Non-Pay	350	-3589
Income	92	718
Surplus/(Deficit)	531	-2,591

Financial Commentary

Pay

The pay-surplus to the end of November should continue to increase pro-rata for December.

Non-Pay

The emerging trends in non-pay expenditure are as anticipated and are associated with demand led cost drivers, principally the Demand Led Schemes. Most of the issues are of a national nature. The Board will not keep the DLS expenditure within budget - there will be large over runs due to core under-funding for schemes. However the excess expenditure on DLS increased by €.5m in November and extrapolating this to year end we anticipate an over-expenditure in the region of €3.2m as distinct from a projection of €2.4m in October.

Income

YTD trend will be maintained

Activity

Activity across the services is broadly in line to keep within the allocation as a core underfunding issue exists across a number of schemes

Caregroup:Childcare

	Current Month	Year to Date
	Variance	Variance
	€'000	€'000
Pay	50	746
Superann	4	7
Non-Pay	176	250
Income	409	729
Surplus/(Deficit)	634	1,734

Financial Commentary

Pay

The positive variance in pay reflects both vacancies and delays in filling posts

Non-Pay

In non pay savings there are significant overspend (€306k) in legal fees and in Foster Care payments (€564k).

Income

Income is ahead of target.

Activity

Activity in this care group in November was broadly in accordance with targets.

Caregroup :Disabilities

	Current Month	Year to Date
	Variance	Variance
	€'000	€'000
Pay	92	727
Superann	10	101
Non-Pay	-786	-458
Income	1	56
Surplus/(Deficit)	-682	427

Financial Commentary

Pay

The positive variance in pay reflects delays in recruiting staff approved for the C.D. C. Service.

Non-Pay

Expenditure on Cash Allowances is running significantly over budget.

Income

Income is ahead of target.

Activity

In Limerick, there has been a significant increase in the number of interventions carried out during the period. This arises because of increased opportunity for school based interventions where much of the child based physical & sensory intervention (i.e. groups in language classes) takes place - Limerick now has three language classes in receipt of service compared to two last year. The waiting lists for assessment and therapy have increased in November due to clients being taken off the Active Caseload and going back on the waiting lists.

In Clare, overall there were fewer referrals than expected during the period. The waiting list for therapy is lower than expected, while the waiting list for further therapy is significantly lower than expected, as a result of the higher number of interventions carried out during the period.

In North Tipperary, waiting lists are lower than projected. The significant decrease in the numbers on the waiting lists in October is due to a validation exercise carried out in relation to older children presenting with Specific Language Impairment.

Central Services

	Current Month	Year to Date
	Variance	Variance
	€'000	€'000
Pay	-149	-135
Superann	8	59
Non-Pay	39	1,988
Income	142	479
Surplus/(Deficit)	42	2,392

Financial Commentary

Pay

Pay is over budget this month.

Non-Pay

The favourable variance in non pay is due to short term savings in Cervical Screening, Public Health and Drugs Project.

Income

Income is ahead of target for the year.

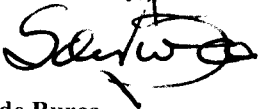
Employment Levels

The November WTE return is 6,404.49 and the ceiling is 6,591.

This return excludes the WTE count for homehelps.

A number of issues regarding the board's employment ceiling have been raised with the DOHC.

Yours sincerely,



S. de Burca.
Priomh Oifigeach Féidhmeacháin

MID-WESTERN HEALTH BOARD**Summary of Financial Results****November 2003**

	Acute Hospitals Euro '000's	Mental Health Euro '000's	Elderly Care Euro '000's	Disabilities Care Group Euro '000's	Child Care Care Group Euro '000's	Community Services Euro '000's	Central Services Euro '000's	Ambulance Services Euro '000's	Total Euro '000's
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PAY

Budget	129,820	42,614	38,471	6,000	11,196	33,175	10,763	5,922	277,960
Actual	131,651	42,055	37,709	5,171	10,441	32,888	10,838	5,800	276,554
Variance	(1,831)	559	762	829	754	287	(76)	122	1,407
Variance -% to Budget	(1.41)	1.31	1.98	13.81	6.74	0.86	(0.70)	2.06	0.51

Annual Budget	145,942	47,929	43,520	6,746	12,590	38,194	11,733	6,471	313,126
% Annual budget consumed	90.21	87.74	86.65	76.65	82.93	86.11	92.37	409.00	88.32

NON-PAY

Budget	50,801	7,196	7,153	75,842	20,168	62,475	12,870	1,542	238,046
Actual	50,364	7,867	8,506	76,300	19,917	65,798	10,881	1,541	241,174
Variance	437	(671)	(1,353)	(458)	250	(3,322)	1,989	1	(3,128)
Variance -% to Budget	0.86	(9.33)	(18.92)	(0.60)	1.24	(5.32)	15.45	0.07	(1.31)

Annual Budget	61,004	8,637	8,463	84,438	23,334	77,148	17,508	1,802	282,335
% Annual budget consumed	82.56	91.09	100.51	90.36	85.36	85.29	62.15	85.48	85.42

GROSS EXPENDITURE

Budget	180,621	49,809	45,625	81,842	31,363	95,650	23,632	7,464	516,006
Actual	182,015	49,922	46,215	81,471	30,359	98,686	21,719	7,340	517,728
Variance	(1,394)	(112)	(591)	371	1,005	(3,036)	1,913	123	(1,721)
Variance -% to Budget	(0.77)	(0.23)	(1.30)	0.45	3.20	(3.17)	8.10	1.65	(0.33)

Annual Budget	206,946	56,566	51,983	91,185	35,924	115,342	29,242	8,273	595,461
% Annual budget consumed	87.95	88.25	88.91	89.35	84.51	85.56	74.27	88.72	86.95

INCOME

Budget	22,048	2,954	6,524	916	287	1,509	868	192	35,297
Actual	23,650	3,367	7,247	973	1,016	2,471	1,347	318	40,389
Variance	1,602	413	724	57	730	962	480	125	5,092
Variance -% to Budget	7.27	13.99	11.09	6.18	254.62	63.78	55.27	65.23	14.43

Annual Budget	24,054	3,228	7,123	998	311	1,639	946	210	38,508
% Annual budget consumed	98.32	104.33	101.75	97.46	326.55	150.82	142.44	151.21	104.89

NET EXPENDITURE

Budget	158,573	46,855	39,101	80,926	31,077	94,142	22,764	7,271	480,709
Actual	158,365	46,554	38,968	80,499	29,342	96,215	20,372	7,023	477,338
Variance	208	301	133	427	1,734	(2,073)	2,393	249	3,371
Variance -% to Budget	0.13	0.64	0.34	0.53	5.58	(2.20)	10.51	3.42	0.70

Annual Budget	182,892	53,338	44,860	90,187	35,613	113,704	28,296	8,063	556,953
% Annual budget consumed	86.59	87.28	86.87	89.26	82.39	84.62	72.00	87.09	85.71

Superannuation Variance

(incl in Pay above)

127	(73)	41	101	8	5	60	6	274
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Note 11 months is 92%