

EASTERN HEALTH BOARD

Minutes of Proceedings of Committee of the Whole House of the Eastern Health Board held on 29th January, 1976. in the Boardroom. St. Brendan's Hospital. Grangegorman. at 6 p.m.

Present:

Cllr. Mrs. J. Barlow
Cllr. D. Browne
Cllr. M. Carroll
Mr. J. Corcoran
Mr. H. Corrigan
Dr. J. Cullen
Dr. J. S. Doyle
Cllr. J. Duming
Cllr. Mrs. A. Glenn
Mr. K. Harrington
Cllr. P. Hickey

Cllr. D. Kinsella
Cllr. Mrs. E. Lemass
Dr. J. McCormick
Cllr. M. McWey
Dr. J. R. Mahon
Dr. A. Meade
Mr. D. O'Flynn
Mr. M. Ruane
Cllr. J. Sweeney
Dr. J. Walker

Apologies for Absence: Miss M. Lacey,
Cllr. T. Leonard and Deputy C. Murphy.

Mr. D. O'Flynn, Chairman, presided.

Officers in Attendance:

Mr. E. O Caoimh	<i>Chief Executive Officer DI</i>	Mr. K. Quinn Mr.
Mr. J. Nolan Mr.	<i>Chief Executive Officer</i>	F. Williams Mr.
F. Donohue	<i>Programme Manager</i>	M. Murray- Hayden
Mr. T. Keyes	<i>Programme Manager</i>	Mr. J. Doyle
Mr. J. Reynolds	<i>Finance Officer Planning</i>	Mr. H. Dunne
Mr. F. Elliot	<i>& Eval. Officer Personnel</i>	Miss K. Dolan
Mr. R. Lamb	<i>Officer Technical Service</i>	Miss E. Larkin
Mr. J. Sadlier	<i>Officer Chief Psychiatrist</i>	Dr. C. Murphy
Prof. I Browne	<i>Administrative Assistant</i>	Miss J. Bannon
Mr. P. J. Swords	<i>Administrative Assistant</i>	Mr. B. Garvey
Mr. F. McCullough	<i>Administrative Assistant</i>	Mr. A. O'Brien
Mr. J. Clarke		Mr. T. McManus

C1/76

REVENUE BUDGET 1976

At the outset the Chief Executive Officer regretted that it had not been possible to circulate Report No. 9/1976 prior to the meeting. The Board's Management Team had met the Secretary of the Department of Health on Tuesday, January 27th, and on the following day the Secretary had a meeting with the C.E.O.'s of the eight health boards. In the course of these meetings the Secretary reiterated what he had written in his letter of January 12th in regard to the serious economic difficulties facing the country and emphasised that the allocations notified will not be increased. No further funds would be forthcoming apart from the amount necessary to provide for whatever increases in Welfare Allowances might be provided for in the Budget on January 28th. The Secretary further stated that he would have liked to have been in a position to tell the boards of their allocations last September and hoped that in future years notification would be earlier. He gave an assurance that the allocations had been equitably apportioned between the eight health boards.

The Chairman then suggested that the Report be read to give members an opportunity to absorb its contents, after which it would be open for general discussion. Report No. 9/1976. as follows, was then read:—

" 1, The Secretary of the Department of Health has indicated in his tender of the 12th January that the Board's allocation for the year will be £33.59m. Taking into account other income, estimated at £2.06m., the amount available to meet expenditure on the health services will be £35.65m. The estimated cost of maintaining the services at the levels obtaining at 31st December, 1975, at current price levels and excluding any expansion of services (other than such limited development as may be possible with the aid of E.S.F. grants) is £39.37m. The Board is, accordingly, faced with the task of securing a major reduction of £3.72m. in expenditure in 1976 and it is clear that the level of services must be affected.

2. It is stated that the Minister intends to implement Section 31 of the Health Act, 1970. so as to fix the limit of expenditure of Health Boards in 1976. This Section reads as follows:—

'31 (1) A health board shall not, save with the Minister's consent, incur expenditure for any service or purpose within any period in excess of such sum as may be specified by the Minister in respect of that period.

- (2) (a) The chief executive officer of a health board shall not in the performance of his functions do anything which would incur expenditure by the board in contravention of this Section.
- (b) If at any time the chief executive officer of a health board is of opinion that a decision or proposed decision of the board would incur expenditure by the board in contravention of this Section, he shall so inform the board and the Minister.'

3. It will be noted that the payments to be made by the Department of Health on the Board's behalf are stated as follows:—

The General Medical Services (Payments) Board	£6,000,000
The Voluntary and 'joint board' hospitals	— 39,110,000
The Homes for the mentally handicapped	— 2,426,000
	£47,536,000

It is stated that the estimates of payments have been arrived at on the basis of past experience and that the budgets of the hospitals and homes have been fixed in the light of the same considerations as are applicable to Health Boards. It is further stated that similar control measures will also be applied but it is not clear how this is to be done in respect of non-Health Board institutions and the Choice of Doctor general practitioner scheme.

4. The Board has been requested to consider and let the Department of Health know not later than the 6th February how it is proposed to divide the approved allocation between the service groupings set out in paragraph 8 of the letter of the 12th January. It may be noted that, for 1975, the expenditure was divided between the General Hospitals and Homes and the Special Hospital Care and the Community Care programmes in the proportion of 28%, 32% and 30% with the remaining 10% taken up by Central Services—including Public Assistance. An analysis of estimated gross expenditure for 1975 apportioned as between pay and non-pay costs is attached which shows that pay costs account for 52% of expenditure and non-pay 48%. It is evident that to contain expenditure during 1976 within the limits to be made by the Minister under Section 31 of the 1970 Act retrenchments under both headings will be necessary.

5. Paragraph 11 of the Department's letter stresses that adequate provision must be made to support certain items throughout the whole of 1976. The estimated cost of these items, which have thus a prior claim on the Minister's allocation of £35 -65m. is £29 08m. This leaves a sum of £6 -57m. available for general and special hospital non-pay expenditure, and the entire range of community care services other than Section 65 grants, statutory allowances, capitation grant payments, the cost of which is estimated to be £10 29m.

6. It is clear that it would not be possible to achieve a reduction of £3 - 72m. in our estimate of £10 - 29m. it is difficult, therefore, to see how the Board can avoid reducing the level of services, including staff numbers and the payments to extern agencies.

7. Since the receipt of the Department's letter the Programme Managers have been examining ways and means of formulating realistic proposals for the rationing of the reduced resources and the pruning of expenditure in their respective programmes. This problem requires examination under the following headings:—

- (i) Operational economics — institutional and non-institutional services
- (ii) Temporary reduction in scale of Health Board activities —residential and community.
- (iii) Review of scope and cost of services provided by voluntary organisations.
- (iv) Review of basis of provision of certain services, e.g., free milk, medicine refunds, constant care allowance for handicapped children.
- (v) Research and training.

8. The Programme Managers will outline their proposals in the course of the discussion on this report.

9. It is hardly necessary to add that the Budget introduced yesterday by the Minister for Finance will involve further increases in the Board's expenditure. The implications of the Budget increases are at present being examined by the Board's officers."

It was agreed that each Programme Manager would deal with the implications for his programme of the allocation conveyed by the Department's letter of the 12th January, 1976.

General Hospital Care:

Mr. J. J. Nolan pointed out that 68% of the Board's direct expenditure on his programme related to remuneration. In the circumstances expenditure on the employment of substitutes on overtime, on stand-by and on-call allowances, etc., would require very careful consideration and the deferment of the filling of vacancies would have to be examined. A saving of the order of £120,000 might thereby be attainable. In consultation with the Technical Services Officer the postponement of maintenance works which would absorb £125,000 had been agreed but the effect would, of course, be cumulative. It would be necessary to economise on transport services— mainly on the use of taxis for the conveyance of patients— and the objective here would be a reduction of £60,000. In the very difficult situation the continuance of the under-used maternity facilities at St. Patrick's Home and the District Hospital, Baltinglass, would require to be reviewed: there was a possible saving of £50,000 in this area. £30,000 might be saved by paring the rate of assistance of persons maintained in private Homes. Economies in the various Hospitals and Homes in heating, lighting and power and on " household " expenses would continue to be actively pursued and could possibly achieve a further saving of £80,000, giving a total of £465,000. Mr. Nolan envisaged that the closest co-operation of staffs and staff organisations would be essential.

Special Hospital Care:

Mr. T. Keyes said that he hoped to achieve a saving of £180,000 by a major reduction in overtime which presently is a regular feature of certain staffing systems. The co-operation of the staff, particularly the nursing staff of the psychiatric hospitals, and of staff organisations would be necessary. He proposed to save £30,000 this year by reducing the intake of junior medical staff and a further £155,000 on maintenance of premises and services although with considerable reluctance because of the age and condition of portions of the hospitals. It would not be possible to fill staff vacancies arising during the year and the closing of some wards was likely to be necessary; this would possibly apply also the Drug Unit in the Central Mental Hospital, Dundrum. By rearrangement of admission systems at St. Loman's Hospital further savings should be possible and, with stringent control of "housekeeping" expenses a further economy of £100,000 could possibly be achieved: in the latter connection an increase in the charge of lunches availed of by staff from 30p to 50p was

Home Helps	£87,000	As above.
Meals on Wheels — ..	£26,000	As above.
Section 65 Grants —	£157,000	Maintain, generally, at 1975 levels.
Maintenance of Premises	£60,000	Cut back on painting, etc.
Dental, Ophthalmic and Aural (including appliances)	£108,000	Cut back on services temporarily.
Free milk — — —	£25,000	Review eligibility with care.
Hold vacant posts open for the employment of the blind	£50,000	Hold grant to National Council at '75 level.
Port Health and Tuberculosis services — —	£5,000	Close one office, re-deploy and reduce staff.
	£40,000	
	£621,000	

The Programme Managers having now completed their review for the benefit of the members, a general discussion took place to which the following contributed: Dr. McCormick, Cllr. Hickey, Mr. Harrington, Mr. Corrigan, Cllr. Browne, Cllr. Mrs. Glenn, Dr. Cullen, Dr. Walker, Cllr. Mrs. Lemass, Cllr. Mrs. Barlow, Cllr. Durning, Mr. Ruane, Cllr. Sweeney and Cllr. Carroll.

Principal points from the debate were as follows:—

1. (a) There was general agreement that expenditure on medicines is grossly excessive and could be significantly reduced without detriment to treatment by the introduction of a formulary. In relation to the General Practitioner Service in the Board's area and to its own institutions the figure involved is £4|m. approximately.

(b) A prescription charge, even if a nominal one, was also favoured. If the signature of a consultant were required on hospital prescriptions a substantial improvement should be possible in that area.

It was suggested that these changes would be facilitated and generally acceptable if a well-advised public relations exercise were mounted.

2. Information on the expenditure of the Dublin Voluntary Hospitals and Joint Board Hospitals in 1975 as compared with their approved allocations was requested: information on approved allocations for 1976 as compared with the 1975 out turn and on the means by which it is proposed to control expenditure on the General Medical Service met by the Payments Board was also sought.

3. It was unanimously agreed that the funds available for the maintenance of services should not be reduced by the necessity to make provision for major interest charges on bank overdraft; the Department of Health should be pressed to adopt measures which would reduce the need for overdraft accommodation to a minimum.

4. Various measures which might be taken to reduce expenditure on Cash Allowance schemes and on the medicine refund schemes which are absorbing very large amounts of money were noted, together with the suggestion that a special discount arrangement applying to foods supplied under the long-term illness scheme could effect a substantial saving.

5. The proposal that the Minister be requested to vary the conditions of the Free Milk Scheme and that the terms of eligibility be reviewed by the Board's officers was noted.

6. It was reluctantly accepted that some reduction in staff numbers during 1976 seemed inevitable in view of the high proportion of the Board's expenditure attributable to remuneration.

7. It was agreed, notwithstanding the value of the contribution made* by voluntary organisations, that it could not reasonably be expected that payments to all of them should be maintained at the same level as for 1975. To increase them, as proposed by the Department of Health, would further reduce the amount available for the services provided by the Board in a situation of a shortfall of £3 72m.

8. It was considered also that the basis of eligibility for a medical card should be reviewed in the present difficult circumstances.

The following resolution proposed by Cllr. Duming, seconded by Cllr. Mrs. Barlow, was passed by 11 votes to 3 votes, with one member abstaining:—

For—Cllr. Mrs. Barlow, Cllr. M. Carroll, Mr. H. Corrigan, Dr. J. Cullen, Dr. J. S. Doyle, Cllr. J. Durning, Cllr. Mrs. Glenn, Mr. K. Harrington. Cllr. D. Kinsella, Mr. D. O'Flynn. Mr. M. Ruane.

Against—Cllr. P. Hickey, Cllr. Mrs. E. Lemass and Cllr. J. Sweeney.

Dr. J. Walker abstained.

" Having regard to the terms of the Department's letter of January 12th, 1976, and having considered the terms of Report

No. 9/1976 and the measures relevant thereto to effect reductions in the estimated expenditure for 1976 as outlined by the three Programme Managers to this meeting, it is resolved that the Report, together with such of the measures outlined by the Programme Managers as do not directly entail reduction/elimination of the more important existing health and welfare services (even though the consequent reduction in costs falls short of the reduction which would be necessitated by the allocation made by the Department), be adopted in principle for submission to the Minister for Health."

At the conclusion of the meeting the Chief Executive Officer informed the members that a full report would be made at the monthly meeting following on the Management Team's further meeting in the Department on Tuesday, 3rd February.

The meeting terminated at 8.12 p.m.

CORRECT:

**E. O CAOIMH, *Chief
Executive Officer.***

Chairman