

# General Medical Services (Payments) Board

Report for the year ended 31st December 2003



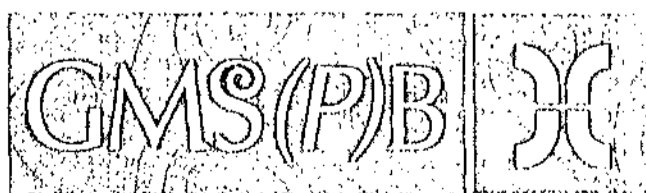
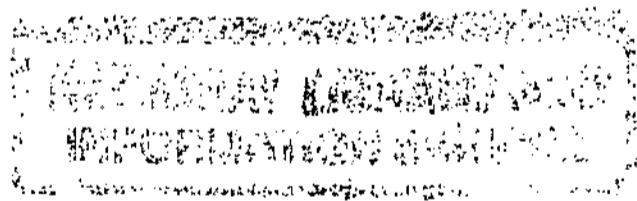
General Medical Services (Payments) Board  
An Bord Seirbhísi Fíachta Ginearálta (Gaeilge)

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**Report for the  
year ended  
31st December  
2003**



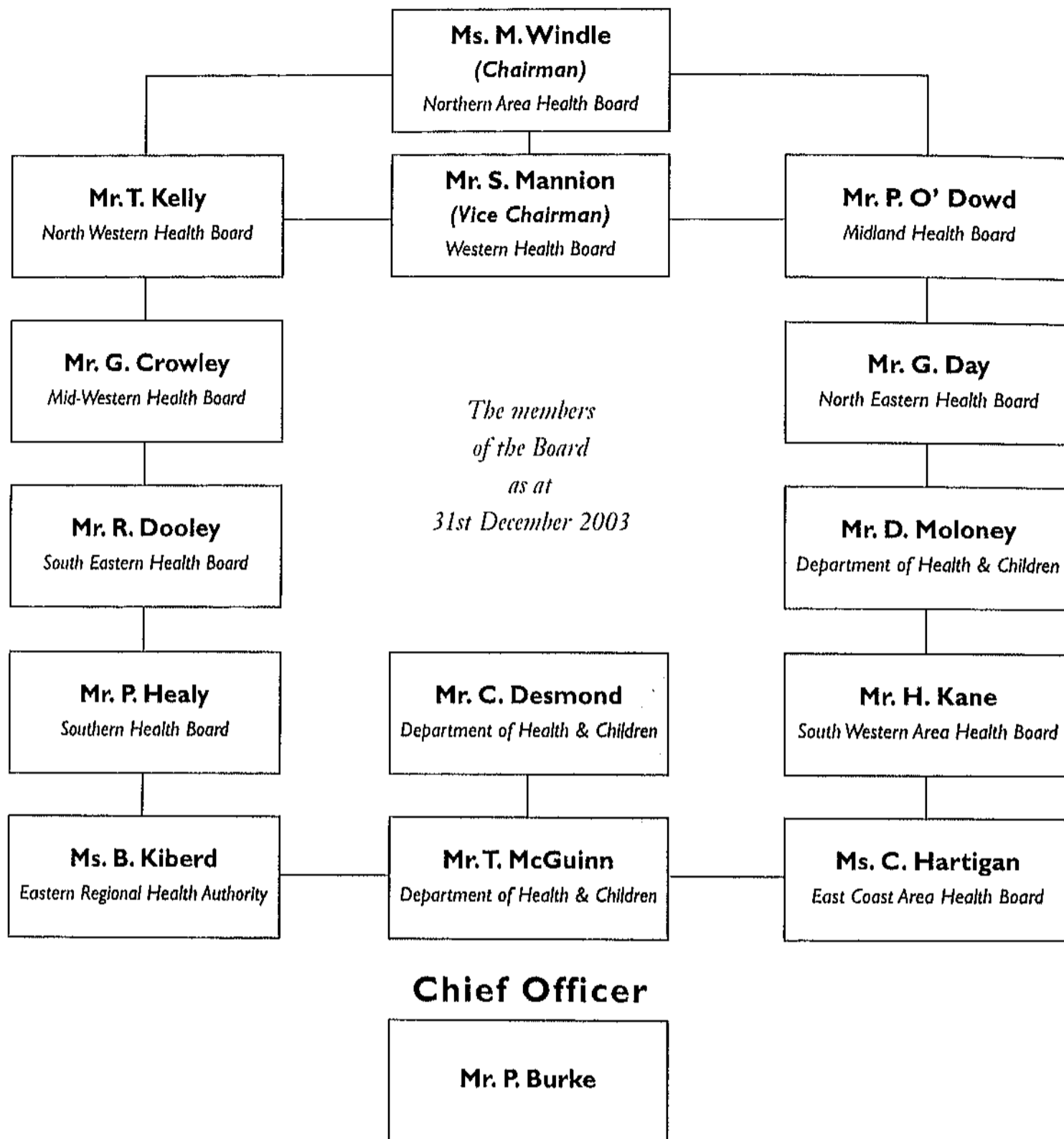
**General Medical Services (Payments) Board**  
An Bord Seibhsí Liachta Ginearálta (Ior aichtá)

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## The Board



Mr. Colm Desmond (Department of Health & Children) was elected to membership of the Board in February 2003 replacing Mr. Bernard Carey. Mr. Pat O' Dowd (Midland Health Board) was elected to membership of the Board in February 2003 replacing Mr. Pat Marron. Ms. Bernadette Kiberd (Eastern Regional Health Authority) was elected to membership of the Board in March 2003. Mr. Hugh Kane (South Western Area Health Board) was elected to membership of the Board in September 2003 replacing Ms. Brid Clarke. Ms. Cate Hartigan (East Coast Area Health Board) was elected to membership of the Board in September 2003.

The Board extends a warm welcome to its new members and records its thanks and appreciation to those former members who, in the course of the year, resigned their membership.



Ms. M. Windle



Mr. S. Mannion



Mr. P. Burke



Mr. T. Kelly



Mr. G. Crowley



Mr. R. Dooley



Mr. P. Healy



Ms. B. Kiberd



Mr. C. Desmond



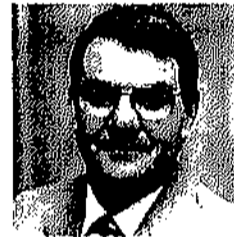
Mr. P. O' Dowd



Mr. G. Day



Mr. D. Moloney



Mr. H. Kane



Ms. C. Hartigan



Mr. T. McGuinn

### **Constitution of the Board**

The General Medical Services (Payments) Board is a body corporate with perpetual succession and a common seal constituted by Order of the Minister for Health under Section 11 of the Health Act, 1970.

The Board consists of fourteen members comprising:

- (a) (i) one officer of each Health Board designated by the Chief Executive Officer of the Health Board and
- (ii) one officer of each Area Health Board established by Section 14 of the Eastern Regional Health Authority Act, 1999, designated by the Area Chief Executive of the Area Health Board and
- (b) three other persons appointed by the members referred to in (a) (i) and (ii).

### **Functions of the Board**

It is the duty of the Board to perform on behalf of the Health Boards the following functions in relation to the provision of services by General Practitioners, Pharmacists, Dentists and Optometrists/Ophthalmologists under Sections 58, 59 and 67 (i) of the Health Act 1970:

- (a) the calculation of payments to be made for such services;
- (b) the making of such payments;
- (c) the verification of the accuracy and reasonableness of claims in relation to such services;
- (d) the compilation of statistics and other information in relation to such services.

## Community Based Services – Payment Arrangements

Almost all payments for services provided in the community by General Practitioners, Community Pharmacies, Dentists and Optometrists/Ophthalmologists are made by the Board. Payments in the Year 2003 were in excess of €1,431.78m. Estimated payments by the Board for 2004 are €1,723m.

Claim data is processed and payments are made by the Board under the following Schemes/Payment Arrangements:

### **General Medical Services (GMS)**

Persons who are unable without undue hardship to arrange general practitioner medical and surgical services for themselves and their dependants and all persons aged 70 years and over receive a free general medical service.

Drugs, medicines and appliances supplied under the Scheme are provided through retail pharmacies. In most cases the Doctor gives a completed prescription form to a person, who takes it to any pharmacy that has an agreement with a Health Board to dispense GMS prescription forms. In rural areas the Doctor may dispense for those persons who opt to have their medicines dispensed by him/her. All GMS claims are processed and paid by the Board.

### **Drugs Payment Scheme (DPS)**

Under the Drugs Payment Scheme persons who are ordinarily resident in the State and who do not have a current medical card can benefit - an individual or family has now to pay no more than €70 in a calendar month for approved drugs, medicines and appliances for themselves or their families. In order to benefit under this Scheme a person must register themselves and their dependants with their local Health Board. Items currently reimbursable under the Drugs Payment

Scheme are those listed in the GMS Code Book. Other items which were reimbursable under the DCS and Refund of Drugs Schemes continue, in certain circumstances, to be reimbursable under the Drugs Payment Scheme. DPS claims are processed and paid by the Board.

### **Long Term Illness Scheme (LTI)**

On approval by Health Boards persons who suffer from one or more of a schedule of illnesses are entitled to obtain, without charge, irrespective of income, necessary drugs/medicines and/or appliances under the LTI Scheme. All LTI claims are processed and paid by the Board.

### **Dental Treatment Services Scheme (DTSS)**

Under the Dental Treatment Services Scheme GMS eligible adults have access to a range of treatments and clinical procedures comprised of Routine Treatments and Full Upper and Lower Dentures. Routine Treatments are now available for all eligible persons. Dentists may also prescribe a range of medicines to eligible persons. All claims under the DTSS are processed and paid by the Board.

### **European Economic Area (EEA)**

Residents from one of the other states of the European Economic Area, with established eligibility, who require emergency general practitioner services while on a temporary visit to the State are entitled to receive from a General Practitioner a GMS prescription form for necessary medication and to have such medication dispensed in a Pharmacy that has entered into an agreement with a Health Board within the State. Students, posted workers and their dependants are entitled to full services on presentation of a valid Form E128. EEA claims are paid by the Board.

### **High Tech Drugs (HTD)**

Arrangements are in place for the supply and dispensing of High Tech medicines through Community Pharmacies. Such medicines are generally only prescribed or initiated in hospital and would include items such as anti-rejection drugs for transplant patients or medicines used in conjunction with chemotherapy or growth hormones. The medicines are purchased by the Health Boards and supplied through Community Pharmacies for which Pharmacists are paid a patient care fee; the cost of the medicines and patient care fees are paid by the Board.

### **Primary Childhood Immunisation Scheme**

A National Primary Childhood Immunisation Scheme provides for immunisation of the total child population with the aim of eliminating, as far as possible, such conditions as Diphtheria, Polio, Measles, Mumps, Rubella and more recently Meningococcal C Meningitis. Payments under this Scheme to Doctors in the Midland, Mid-Western, Southern and Western Health Boards are made by the Board.

### **Health (Amendment) Act 1996**

Under the Health (Amendment) Act 1996 certain health services are made available without charge to persons who have contracted Hepatitis C directly or indirectly from the use of Human Immunoglobulin - Anti D or the receipt within the State of another blood product or blood transfusion. General Practitioner services, pharmaceutical services, dental services and optometric/ophthalmic services provided under the Act are paid for by the Board.

### **Methadone Treatment Scheme**

Methadone is prescribed and dispensed by Doctors and Pharmacists for approved clients under the Methadone Treatment Scheme - capitation fees payable to participating Doctors and Community Pharmacists and claims by pharmacies for the ingredient cost of the Methadone dispensed and the associated dispensing fees are processed and paid by the Board.

### **Health Board Community Ophthalmic Services Scheme (HBCOSS)**

Under the Health Board Community Ophthalmic Services Scheme, adult medical card holders and their dependants are entitled, free of charge, to eye examinations and necessary spectacles/appliances. Claims by Optometrists/Ophthalmologists are paid by the Board. Claims for spectacles provided under the Children's Scheme are also paid by the Board.

### **Immunisations for certain GMS Eligible Persons**

Agreement was reached between the Department of Health & Children and the Irish Medical Organisation on fee rates to be applied to certain immunisations for GMS eligible persons. The immunisations encompassed by the agreement are:- Pneumococcal, Influenza, Hepatitis B and the combined Pneumococcal/Influenza. The Board facilitated claiming for any of these immunisations by extending the range of codes for 'Special Items of Service'.



## Chairman's Statement



*Ms. M. Windle (Chairman)*

At the close of my second year as Chairman of the General Medical Services (Payments) Board it is my pleasure to join with the members of the Board to present the Annual Report for the year 2003, the Board's 30th Annual Report.

The core business of the Board is the processing of claims from Primary Care Contractors, the making of related payments and the provision of information to the contractors, the Department of Health & Children and the Health Boards. We have made major strides forward in the last year in a range of critical areas including using the valuable information database at the GMS (Payments) Board to improve and support the Board's planning and monitoring functions, strengthening our governance and accountability arrangements, implementation of an eCommerce infrastructure using state-of-the-art technology and also in improving the efficiency of our day-to-day business operations.

This Annual Report for 2003 reflects, as in previous years, the many and varied Schemes and Payment Systems which generated the workload of the Board in the year under review.

In June 2003 the Government announced the Health Service Reform Programme, initiating an era of unprecedented change and reform in the health system. The Reform Programme affords the Board an excellent opportunity to modernise its service to its clients and stakeholders by improving mechanisms for providing an efficient service and better communications.

As the largest central service provider in the health sector, with millions of transactions successfully delivered each year, the Board looks forward to playing a major role in the establishment of the National Shared Services Organisation, leveraging both its expertise in shared service provision and its extensive investments in a national Information Communication Technology (ICT) infrastructure. As the health service is undergoing the biggest change in its history, the Board's ICT Strategy is already in line with the Health Services Reform Programme and the Information Technology (IT) architecture deployed by the Board can be easily migrated to the new health structures.

The importance of corporate governance became dramatically clear over the past two years through a number of well-publicised cases. Maintaining high standards of corporate governance continues to be a priority for the members of the Board. We are committed to the highest standards of corporate governance and we have accordingly taken a number of actions to strengthen the risk management structures and control processes in operation. We have successfully introduced in 2003 new governance and accountability arrangements, which have set clear objectives for improvements in risk management practices in all key risk areas. These new arrangements have worked well over the last year and have enabled the Board to make substantial improvements to its financial management and internal control systems.

During the year we put in place new structures to enhance conjoint working with Health Boards and the Health Boards Executive (HeBE), together with the Community Pharmacists and the Irish Pharmaceutical Union (IPU), in relation to the management and reconciliation of the various patient databases between our respective organisations. We have for some time now been pursuing a modernisation programme in relation to the mechanisms and systems used to register and maintain the database of persons eligible for health services. We are continuing to work with the Health Boards, HeBE and the IPU in order to manage the implementation of these changes.

In recent years, the Board has transformed its infrastructure by investing significantly in a number

of national projects. In promoting its wider eCommerce agenda, specifically by supporting the development of telematic links with Primary Care Contractors, the Board is currently involved in two National Information Technology Projects:

- the National Client Index and
- the Community Pharmacy Reimbursement Project.

These projects are central to the Business and Information Systems Strategy adopted by the Board and I am pleased to report that good progress continues to be made.

The primary driver for the National Client Index project is to place citizens at the centre of the circle in order to simplify and improve their interactions with the wide range of people who look after their health needs. The Index will also enable better control and management of client data and when fully operational this system will lead to improved accuracy of patient demographic data.

The Community Pharmacy Reimbursement Project aims to assist Pharmacists to improve their business operations and to smooth the process of submitting and validating claims, leading to faster payments. The new technology employed in this system has been successfully trialled over the past year in a series of pilot sites throughout Ireland. While there have been delays in exploiting the full potential of the new systems, these issues are currently under discussion with the various stakeholder representative organisations and the Board is satisfied that the new systems will provide the high quality integrated service originally envisaged. The challenge now is to move to achieve the optimum usage on an ongoing basis and from there, to secure the quality of service which the technology is designed to deliver.

During the course of the year we placed particular focus on strengthening our working relationship with our colleagues in the Health Boards, HeBE, the Eastern Regional Health Authority and Eastern Health Shared Services in order to support the Primary Care Contractors in the delivery of quality patient care and I look forward to continuing this working relationship going forward into the new Health Reform structures.

As in previous years, the Board's officers continued to work closely with stakeholders to discuss issues of mutual interest and where necessary to endeavour to resolve difficulties when they arise. The co-operation and goodwill shown by these groups is very much appreciated.

Our Board would like to acknowledge General Practitioners, Community Pharmacists, Dentists, Optometrists/Ophthalmologists and their staffs for their continued dedication and leadership in providing Primary Health Care Services to their communities. We recognise the importance of good communication with our partners/customers and we have continued to develop our website and deliver new services to provide improved information and support to our entire client base.

The staff of Health Boards, especially those who deal directly with service providers and service users and who interface regularly with the staff of the Board, are again very deserving of a special word of appreciation.

I want to express my gratitude and appreciation also to my fellow Board Members for their support and hard work during 2003. My thanks to them for their dedication and commitment to the Board, not just as members of the Board, but also as members of the various Board Committees upon which they serve.

My thanks also to the management and staff of the Board for their dedication, professionalism and achievements during the year. We have a loyal, highly respected staff who continue to respond to new challenges with determination and commitment to provide the best possible service to our clients.

In conclusion, I wish to thank the Minister for Health & Children, the Secretary General of the Department and his officials, for their continual assistance and support during 2003.

2003 was a year of significant change for the health sector. I am satisfied to report on the Board's excellent performance for 2003 all of which has been achieved through the hard work of the Members, Chief Officer and staff of the Board.



Ms. Maureen Windle  
*Chairman.*

## Review and Outlook

The GMS (Payments) Board validates claims, administers the payments and compiles the relevant statistics in relation to the community based services provided by 5,276 primary care professionals on behalf of Health Boards. The Board administers these payments in relation to a range of Schemes relating to the treatment of eligible persons in a primary or community care setting and covers, inter alia, payments in respect of medical card, drug cost subsidisation, long term illness, high tech drugs, dental treatment and ophthalmic services.

The Schemes administered include:

- General Medical Services (GMS)
- Drugs Payment (DP)
- Long Term Illness (LTI)
- Dental Treatment Services (DTS)
- European Economic Area (EEA)
- High Tech Drugs (HTD)
- Primary Childhood Immunisation
- Health (Amendment) Act, 1996
- Methadone Treatment
- Health Board Community Ophthalmic Services (HBCOS)

The Schemes are at the centre of the primary care infrastructure in the health system and a major part of total expenditure within the Schemes is demand led. The population eligible for services under the Schemes also significantly influences this expenditure. Expenditure by the Board has more than doubled over the past five years and at current levels accounts for nearly 17% of total non-capital public health spending.

The total expenditure arising from the Schemes administered by the Board in 2003 was €1.43bn and is expected to increase to approximately €1.7bn in 2004. This increase is due to a number of factors – higher population coverage, expansion of services provided within existing Schemes, increased fee rates to contractors, provision and

reimbursement of more expensive drugs/medicines and inflationary cost factors.

To support the regional Health Boards in the delivery of these primary health care services the Board has installed and maintains, a range of Information Technology (IT) systems and procedures. In technology architecture and processing terms the Board is positioned at a level with the mid to high-end building societies and banks. With approximately 48m business transactions per annum, with a transaction value level approaching €1.7bn, the scale of business activity places the organisation in this sector also.

Payments in the year 2003 were in excess of €1.43bn, significantly up (12.6%) on payments of €1.27bn made in the year 2002.

The following table sets out in summary form the overall increase in terms of the number of items which the Board has reimbursed during the year and the associated costs.

### Summary of trends and patterns - 2003 over 2002

Description	2003	2002	% Change
Persons Registered	2.65m	2.58m	2.7%
% of registered medical card population who availed of services			
	94%	90%	-
No. of transactions	48m	43m	12%
<b>Payments</b>			
Doctors	€295.74m	€282.07m	4.8%
Pharmacies	€943.21m	€817.55m	15.37%
Dentists	€49.87m	€45.72m	9.1%
Optometrists	€13.75m	€13.94m	-1.36%
Wholesalers (HTD)	€103.58m	€80.31m	28.98%

Estimated payments by the Board for 2004, based on the information currently available, will be approximately €1.7bn. The Board received notification of its allocation for 2004 in December

2003 and this allocation must be managed within the parameters outlined. This will present significant challenges in the coming year, particularly when viewed from the perspective of the Board's relatively narrow remit i.e. processing claims and making payments.

The Board prepares a three year projection of Scheme Expenditures so as to enable an informed view to be made of known trends over the medium term. Such an exercise is invaluable in assessing the potential impact of an ageing population on the cost of the GMS Scheme, following its extension to all persons aged 70 years and over, the impact of increased prescribing rates and other similar issues.

Although the GMS (Payments) Board is held accountable for its expenditure, in practice the level of expenditure in any given year is subject to many variables outside our direct control. The Schemes administered are generally demand led. Once eligibility is confirmed the Board must manage reimbursement both in respect of services provided by the Primary Care Contractors and also in respect of basic capitation fees and allowances, which flow from patient registration. In addition to this the Board has no control over the range of medicinal products, which are approved and become reimbursable under the various Schemes.

### **Health Reform Programme**

In 2003 the Government published its plans for the reform of the health service, together with the three reports ('Prospectus', 'Brennan' and 'Hanly') which underpinned the various proposals for change.

The Reform Programme outlined the shape of the proposed new structures, including – a Health Service Executive, a number of Regional Offices, a Hospitals Office and a National Shared Services Organisation (NSSO). As the largest shared service currently operating within the health sector and the only agency providing such services on a national basis, the Board expects

that the arrangements for the new NSSO will take cognisance of the GMS experience and skills in this critical area and will seek to leverage the extensive investments in modern IT systems and infrastructure that the Board has made in recent years to enhance communications with health agencies and Primary Care Contractors.

The Board looks forward to working with colleagues from throughout the health agencies to establish the NSSO during 2004, leading to a rapid and successful transition to the new structures and processes.

### **Governance and Accountability**

Governance arrangements for State Agencies, such as the GMS (Payments) Board, are influenced by the Code of Practice for Governance of State Bodies published by the Department of Finance, which sets out the key elements of corporate governance.

The GMS (Payments) Board is committed to the highest standards of corporate governance and has introduced in 2003 new governance arrangements in accordance with the Code of Practice and has taken other appropriate action to strengthen the risk management and control processes in operation within the Board.

These new arrangements included –

- implementation of the relevant aspects of the Code of Practice for Governance of State Bodies, with a view to ensuring that the existing governance arrangements are strengthened to meet the best possible standards
- the appointment of a number of new Committees, including an Audit Committee and a Finance Committee, to assist the Board in effectively discharging its functions.

### **Pharmacy Claims and Payments**

At year-end 80% of Pharmacists were submitting approximately 2.7 million claim items electronically each month and in the majority of

## Review and Outlook continued

cases were qualifying for payment within 14 working days.

The Comptroller and Auditor General (Amendment) Act, 1993 provides for the Audit of the Board's Accounts by the Office of the Comptroller and Auditor General. Over the past number of years the Audit has highlighted uncertainty regarding the validity of a proportion of claims submitted for payment. The volume of pharmacy claims, which are presented for payment with incomplete patient data, has been a matter of serious concern to the Board over many years. A number of initiatives over the years, including the replacement of medical cards with laminated plastic cards, have not succeeded in eliminating this problem.

In 2003, the GMS (Payments) Board has taken the appropriate action following the advice from the Department of Health & Children to the effect that the Government had decided that the practice of reimbursing Pharmacists for claims with incomplete eligibility documentation should cease.

The Board has worked with the Irish Pharmaceutical Union (IPU) and other stakeholders to jointly implement initiatives aimed at resolving the issues underpinning these incomplete claims, and the Board and the Department of Health & Children therefore agreed to suspend for a short period the immediate implementation of the decision that could effect payments, pending a speedy resolution of the issues involved.

The programme of work undertaken to resolve these issues, which included the participation of the IPU, included the following –

- (1) Synchronisation of all patient databases [Health Board, GMS (Payments) Board and individual Community Pharmacy]
- (2) Definition and adoption of protocols regarding emergency situations where a Pharmacist must dispense on an urgent basis
- (3) Implementation of a national protocol

regarding Management and Control of Client Registration for all Schemes.

In relation to all of these issues work progressed well throughout 2003 and they were largely resolved by year-end.

### General Practitioners

In the course of the year the Board met with representatives of the Irish Medical Organisation (IMO) on a number of occasions to discuss operational issues. These meetings provided a forum for discussion regarding how the operation of the Schemes could become more transparent and effective.

It was agreed that through the use of technology General Practitioners could be afforded greater access to the Board's databases and that the current reporting arrangements could be enhanced to provide greater clarity and transparency.

It was also agreed that this forum would examine how the current business processes regarding client registration could be streamlined and how the proposed implementation of an electronic swipe card, with more comprehensive client and contractor data, could assist in this regard.

The Board is consequently participating in the Health Boards Executive (HeBE) GP Messaging Project, alongside colleagues from the Health Boards and the voluntary sector, to develop message protocols and associated infrastructure to support improved communications with General Practice.

At year-end more than 224 General Practitioners have a facility for inputting Special Type Consultation/Special Service claims directly into the Board's claims processing systems using the web based system developed and implemented by the Board in 2002. This web based facility has also been enhanced to allow General Practitioners access the lists of patients on their panels and download these lists for General Practitioners to input into their own local

Practice Management Systems. We are aware of the potential and opportunities that can be exploited through these media and will continue to support the development of health care applications conscious of the requirement for security, privacy and confidentiality.

During the year the Board continued to work closely with Health Boards and the HeBE in relation to managing the incidence of excess registrations on the GMS database. This issue arose following the decision to grant medical cards without means tests to persons aged 70 years and over, when it became apparent that the number of people who qualified under this agreement was significantly higher than that originally forecast. Work is continuing in this area and it is planned that any excess payments that have been made will be recouped once the associated legal and contractual issues are addressed.

#### **Dental Treatment Services Scheme (DTSS)**

Following communication over a long period, between the Board and the Irish Dental Association (IDA), a Partnership Group was set up in the Autumn of 2003 to provide a forum for discussion and resolution of operational issues within the DTSS. This group has been working in a conjoint fashion on operational matters that are sources of concern for the Board, the IDA and Health Boards. In this regard, significant progress has been made and more is expected over the coming months.

The group has met on a number of occasions, and has begun a detailed analysis of claims that reject when presented for payment. The causes of the rejections are being worked through and at this early stage, an improved understanding of the principal causes of the rejections has emerged and a number of changes in the processing of claims have been agreed and are currently being implemented.

All of the causes of rejections are being worked through in order to identify and implement lasting solutions and in this regard there has been constant interaction and communications with the IDA. The Health Boards and GMS (Payments) Board will continue to work towards resolving all operational difficulties with the DTSS.

#### **Refund of Drug Payments**

The Drugs Payment Scheme was introduced on an administrative basis on 1st July 1999 and put on a statutory footing in March 2001. As the legislation was enacted after the scheme was introduced legal advice from the Attorney General indicated that payments over €40.63 and up to and including €53.33 made in this period should be refunded. The maximum entitlement was €12.70 per month for the period from July 1999 – February 2001 inclusive. Therefore the maximum refund any family or individual cardholder was eligible to claim was €254.00, assuming that the Scheme was availed of in every month between the dates mentioned.

The Board undertook to refund the overpayments on behalf of the Department of Health & Children in 2003. Public notices were placed in the national newspapers on 26th June 2003 and on relevant websites, inviting applications for refunds by the end of September 2003. Subsequent to that, in response to concern from members of the public and from Pharmacists, who would be required to assist some applicants with their claim documentation, it was agreed to extend the deadline for applications by a further five weeks to 31st October 2003. Accordingly, the refund arrangement was again advertised nationally on 12th and 14th September 2003. A dedicated Lo-Call line operated by the Board's staff was set up to deal with enquiries and all applications received by the 31st of October were paid by the 31st of December 2003.

## Review and Outlook continued

The total number of applications received was 37,416 and refunds were issued in 36,276 cases amounting to €6.5m.

### Review of Reimbursable Non Drug Items

The Board's Non Drug Review Group conducts an Annual Review of the list of Non Drug Items that are reimbursable under the GMS Scheme.

This Group comprises of Health Board personnel with expertise in the various disciplines, representatives of the Department of Health & Children and the Board. In line with a major emphasis by the Board on Governance and Accountability and in order to reinforce the existing governance structures, the Board established a Non Executive Quality Assurance Group to provide an additional assurance to the Board regarding the processes applied in this area. This Group is responsible for agreeing the pricing policy to apply in this area each year for recommendation to the Board and the Department of Health & Children.

Following the Autumn Review and approval by the GMS (Payments) Board and the Department of Health & Children, the Update of Additions/Changes/Deletions to the list of Non Drug Items plus the list of flat rate prices for each Non Proprietary category of product for the following year, are published.

The products added and price changes implemented in 2003 relate to the following categories – Clinical Nutritional Products, Diagnostics, Dressings, Ostomy Appliances, Urinary Appliances, Syringes/Needles and Lancets. The cost in this area of the GMS Scheme for 2003 was €47.52m.

### Indicative Drug Targets (IDT)

The agreement between the Department of Health & Children and the IMO regarding the IDT Scheme concluded in 2003. However following discussions it was agreed that the Scheme would continue for an additional year to

conclude at the end of 2004. These discussions concluded in an agreement that the Scheme for 2004 would be based broadly in line with that set out for 2003.

The agreement to continue the Scheme for an additional year was based on the firm understanding that discussions and agreement on a framework regarding the future direction and all aspects of the Scheme, including advance draw down of payments, will be concluded between all stakeholders during 2004.

During the year the Review Group established by the Board continued to examine the current drug target methodology. It is planned that the final report of this group will be presented to the Board in 2004.

### Administration

In 2003, General Administration costs were €12.50m. Of this the principal cost headings were –

- €0.41m was the cost of providing laminated plastic cards for the Drugs Payment Scheme which was introduced in July 1999
- €3.36m was attributable to ongoing computer systems development, maintenance and software licence costs
- €1.16m was expended on claim stationery (prescription forms, claim forms etc.)
- €1.41m for other stationery supplies
- €0.58m was expended on postal and telephone charges
- Salaries, wages and other staff costs totalled €4.88m i.e. 0.3% of the Board's total expenditure.

### Information Technology and Business Strategy Development

Over recent years the Board has built a major IT infrastructure for supporting its business and communications with stakeholders, including

the Health Boards and the Primary Care Contractors.

This infrastructure comprises –

- Major new and enhanced national systems for client identity and eligibility validations and Primary Care Contractors claims validation and payment
- A Wide-Area Network (WAN) connecting pharmacies to the Board
- Encryption of all communications between the Board and external bodies which contain personal medical data
- Mutual authentication between the Board and outside organisations
- System resilience and disaster recovery features.

The Boards systems & infrastructure presents an opportunity for the Health Services Executive to leverage major savings from the current structures by dealing with all clients across all schemes in a single environment using a single national Information Technology system and infrastructure.

#### **European Commission - Information Society Technologies (IST) 5th Framework**

Since January 2000 the Board has been involved in a Research & Development Project funded (under the 5th Framework Programme) by the Information Society Technology, European Commission. The project entitled 'Professionals and Citizens Network Integrated Care' (PICNIC) finalised in October 2003.

The aim of PICNIC was to prepare regional healthcare providers to implement the next generation of secure, user-friendly healthcare networks, with the Board specifically involved from the perspective of clinical messaging and the reimbursement service. The Board developed, as part of the PICNIC project, a number of common software components and provided

these components to pharmacy system vendors to enable improved direct communications with Board IT systems. This initiative also supports the system vendors in providing patient identification functionality to Pharmacists to allow them to verify eligibility for services at the point of contact and allow them forward claims for reimbursement directly to the GMS (Payments) Board.

#### **Prompt Payment of Accounts Act**

The policy of the GMS (Payments) Board is to comply with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations, 2002 and the earlier Irish enactment, the Prompt Payment of Accounts Act, 1997. The Board's standard term of credit taken, unless otherwise specified in specific contractual arrangements, is 30 days. Appropriate internal financial controls are in place, including clearly defined roles and responsibilities and monthly reporting and review of payment practices.

#### **Raven House Lease**

The Board has been in Raven House since 1975. Over the past 30 years our business and associated IT infrastructures have grown significantly, and will continue to grow into the future. In order to ensure that a proper business continuation strategy is in place, the Board is addressing all aspects of its office accommodation, including the IT facility and off-site storage space.

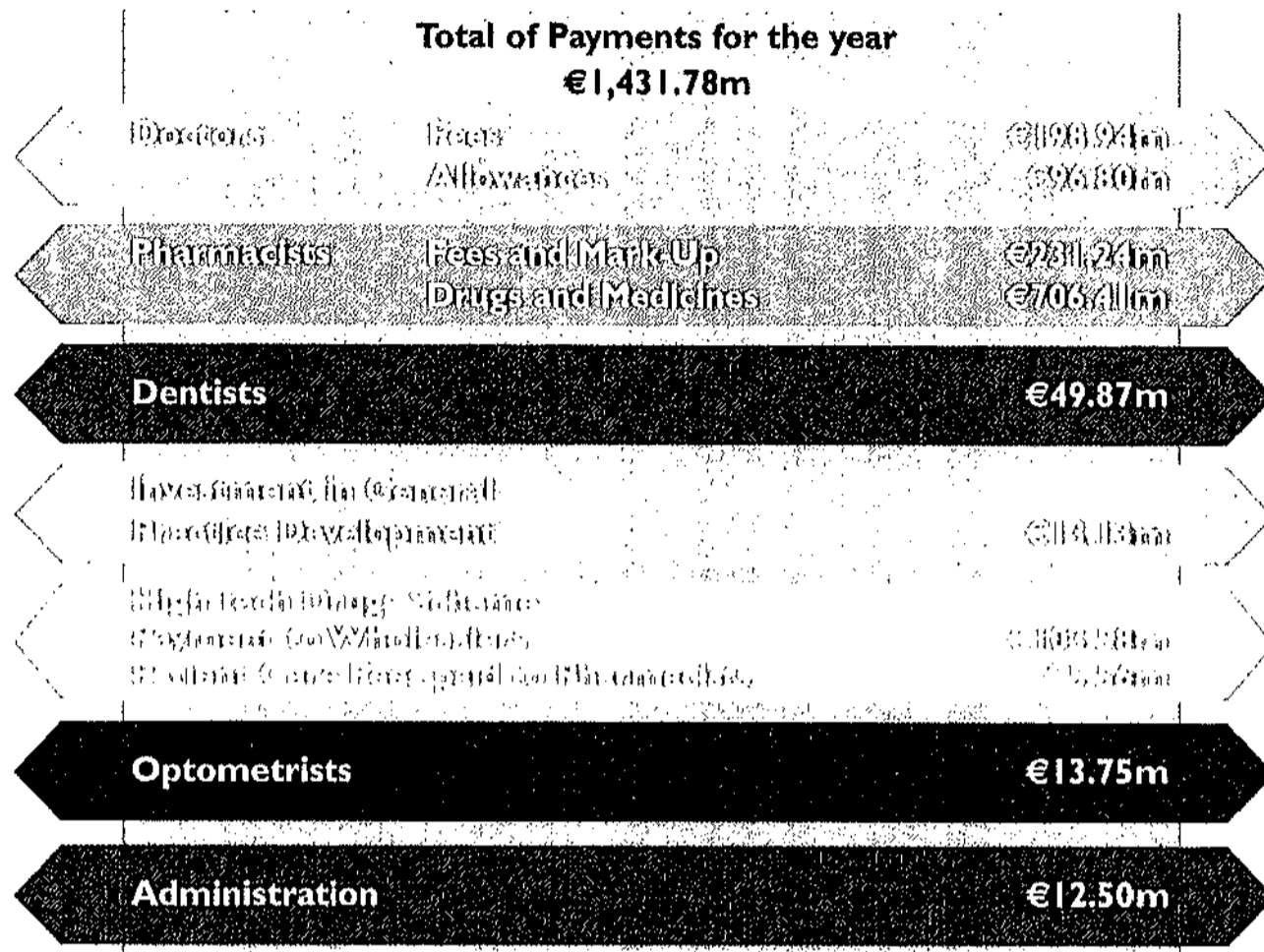
In November 2003, following a comprehensive evaluation of all available options, the Board gave notice that it intends to exercise the break option in the lease for Raven House on 1st December 2004. The Board is now in discussion with the Department of Health & Children and expects to make a decision shortly on the location of a new premises for the Board.



## Summary Statement of Activity During the Year

- Payments in the Year were in excess of €1,431.78m.
- Claim data is processed and payments are made by the Board under the following Schemes:
  - General Medical Services (GMS);
  - Drugs Payment (DP);
  - Long Term Illness (LTI);
  - Dental Treatment Services (DTS);
  - European Economic Area (EEA);
  - High Tech Drugs (HTD);
  - Primary Childhood Immunisation;
  - Health (Amendment) Act 1996;
  - Methadone Treatment;
  - Health Board Community Ophthalmic Services (HBCOS).
- At year end there were more than 2.65m persons registered as being eligible to benefit under the General Medical Services, Drugs Payment, Long Term Illness, Dental Treatment and Health Board Community Ophthalmic Services Schemes.
- More than 94% of eligible GMS persons availed of GP, Pharmaceutical, Dental or Ophthalmic services provided by more than 5,276 Doctors, Pharmacists, Dentists and Optometrists/Ophthalmologists.
- More than 43.5m prescription items were paid for by the Board - an increase of over 3.3m items on 2002.
- Fees and allowances paid to Doctors totalled €295.74m.
- Payments to Pharmacies totalled €943.21m:
  - GMS €650.66m;
  - DP €204.42m;
  - LTI €73.35m;
  - EEA €1.60m;
  - Patient Care Fees under the HTD Scheme €5.56m;
  - The Health (Amendment) Act 1996, Methadone Treatment Scheme and DTS prescriptions €7.62m.
- Payments to Dentists under the DTS totalled €49.87m.
- Payments to Optometrists/Ophthalmologists under the HBCOS totalled €13.75m.
- Payments to Wholesalers under the HTD Scheme totalled €103.58m.
- Administration costs in the accounting period of 2003 were €12.50m.
- Claims processed are in respect of services provided in the community and availed of by almost 51% of the population.

## The Year 2003



- Fees to Doctors include an amount of €4.08m in respect of the Primary Childhood Immunisation Scheme, €0.20m in respect of the Health (Amendment) Act 1996, €2.5m in respect of the Methadone Treatment Scheme.
- Allowances paid to Doctors include an amount of €5.91m paid as superannuation to Retired District Medical Officers and their dependants.
- Payments to Pharmacists include an amount of €1.15m in respect of drugs/medicines dispensed under the Health (Amendment) Act 1996, an amount of €5.98m in respect of the cost of Methadone dispensed under the Methadone Treatment Scheme and an amount of €0.49m in respect of DTS prescriptions.
- Payments to Dentists include an amount of €51,025 in respect of treatments under the Health (Amendment) Act 1996.
- Payments to Optometrists include an amount of €26,472 in respect of treatments under the Health (Amendment) Act 1996.
- The corresponding figures for 2002 are –
  - Total of Payments €1,270.88m.
  - Doctors' Fees €201.99m and Doctors' Allowances €80.08m.
  - Pharmacists' Fees and Mark-Up €211.83m, Drugs and Medicines €601.40m.
  - Payments to Dentists under the DTS Scheme were €45.72m.
  - Payments to Optometrists €13.94m.
  - Investment in General Practice Development was €17.58m.
  - High Tech Drugs Scheme – Payment to Wholesalers €80.31m, Patient Care Fees €4.32m.
  - Administration €13.48m.

## Number of Agreements

2,181 Doctors	1,292 Pharmacists	1,340 Dentists	463 Optometrists
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The number of agreements between Health Boards and General Practitioners for the provision of services to GMS persons reflects the policy position agreed between the Department of Health & Children and the Irish Medical Organisation on entry to the GMS. In December 2003 there were 2,181 such agreements.

### Number of Agreements as at 31st December 2003

Health Board	Doctors	Pharmacists	Dentists	Optometrists
East Coast Area	208	111	96	40
South West Area	295	174	168	71
Northern Area	237	148	145	41
Midland	119	71	75	39
Mid-Western	200	126	96	35
North Eastern	163	112	144	49
North Western	129	71	60	22
South Eastern	216	141	142	48
Southern	363	207	277	64
Western	251	131	137	54
<b>National</b>	<b>*2,181</b>	<b>1,292</b>	<b>+1,340</b>	<b>463</b>
Corresponding Figures for 2002	2,134	1,249	1,349	454

\* 210 GPs who do not hold GMS agreements and who were registered as providing services under the Primary Childhood Immunisation Scheme, the Health (Amendment) Act 1996, Heartwatch and the Methadone Treatment Scheme at year end are included above.

+ 204 Dentists who are employees of Health Boards and who provide services under the Dental Treatment Services Scheme are included above.

## Persons Eligible for Services

**GMS 1,158,143**

**DP 1,396,813**

Persons who are unable without undue hardship to arrange General Practitioner medical and surgical services plus dental and optometric services for themselves and their dependants are provided with such services free of charge under the GMS Scheme. An eligible person is entitled to select a Doctor of his/her choice, from among those Doctors who have entered into agreements with Health Boards. Drugs, medicines and appliances prescribed by participating Doctors for their GMS patients are provided through Community Pharmacies. Dental and ophthalmic services are provided by Dentists and Optometrists/Ophthalmologists who have contracted with Health Boards. GMS prescription forms may be dispensed in any Pharmacy that has an agreement with a Health Board to dispense GMS prescription forms. In rural areas, where a Doctor has a centre of practice three miles or more from the nearest retail Pharmacy participating in the Scheme, the Doctor dispenses for those persons served from the centre who opt to have their medicines dispensed by him/her. The number of eligible GMS persons at year end included 56,657 persons who were entitled and had opted to have their medicines dispensed by their GPs.

Under the terms of the Drugs Payment Scheme persons who do not have a medical card may apply for a Drugs Payment Scheme card on an individual or on a family unit basis. Prescribed medicines, which are reimbursable under the GMS, costing in excess of a specified amount per month, currently €70 per family, is claimed by the pharmacy and is paid by the Board.

On approval by Health Boards persons who suffer from one or more of a schedule of illnesses are entitled to obtain, without charge, irrespective of income, necessary drugs/medicines and/or appliances under the LTI Scheme. The Board makes payments on behalf of Health Boards for LTI claims submitted by Pharmacies.

### Number of Eligible Persons as at 31st December 2003

Health Board	GMS	DP	Total
Eastern Regional Boards	339,721	471,935	46,576
Midland	69,075	81,671	4,607
Mid-Western	98,837	139,114	6,521
North Eastern	103,555	122,112	6,410
North Western	97,881	66,744	4,769
South Eastern	138,063	146,403	8,235
Southern	174,922	243,202	13,793
Western	136,089	125,632	6,273
<b>National</b>	<b>1,158,143</b>	<b>1,396,813</b>	<b>97,184</b>
<b>% of Population</b>	<b>29.57%</b>	<b>35.66%</b>	<b>2.48%</b>
<b>Corresponding Figures for 2002</b>	<b>1,168,745</b>	<b>1,319,395</b>	<b>92,745</b>

GMS - General Medical Services Scheme. DP - Drugs Payment Scheme. LTI - Long Term Illness Scheme.

## Payments to Doctors

Fees €207,85m

Allowances €87,89m

Payments to General Practitioners are categorised as fees and/or allowances. For the majority of GPs who operate under the 1989 agreement the principle fee is the capitation per person which is weighted for gender, age and distance from Doctor's centre of practice - capitation fees totalled €143,138,363 in 2003 - a decrease of €816,810 over 2002. Fees totalling €1,374,424 were paid to 18 GPs who continue to provide services under the Fee-Per-Item of service agreements.

Apart from 'Out-of-Hours' fees and fees for a range of special services the cost of services provided in normal hours by GPs for GMS persons, including the prescribing of necessary medicines, is encompassed by the capitation fee. All GMS persons can avail of full GP services and in many cases they can benefit from specialist clinics provided by GPs for issues such as Women's Health, Family Planning and Asthma.

In addition to a capitation fee an outside normal hours fee is payable for non routine consultations when an eligible GMS person is seen by their GP or another GP acting on his/her behalf from 5pm in the evening to 9am on the following morning (Monday to Friday) and all hours on Saturdays, Sundays and Bank Holidays. The number of 'Out-of-Hours' claims increased to 507,700 in 2003 compared with 481,407 in 2002 - and the cost of such claims increased to €22,247,074 from €20,349,451 in 2002. Special fees are payable for a range of 18 services such as excisions, suturing, vaccinations, catheterization, family planning etc. (refer to page 36 for full list of special items) - the most frequent claimed special service in 2003 was Influenza Vaccination (305,207) followed by Excisions (57,883) and Nebuliser Treatments (39,858) - there was a total of more than 512,345 special services provided in 2003 - special fees totalling €15,234,406 were paid in 2003.

Annual and Study Leave together with locum, nursing and secretarial support plus other practice support payments account for most of the €87,886,787 allowances paid in the year. The total paid in 2002 was €80,080,605.

### Total of Payments to Doctors by Health Board

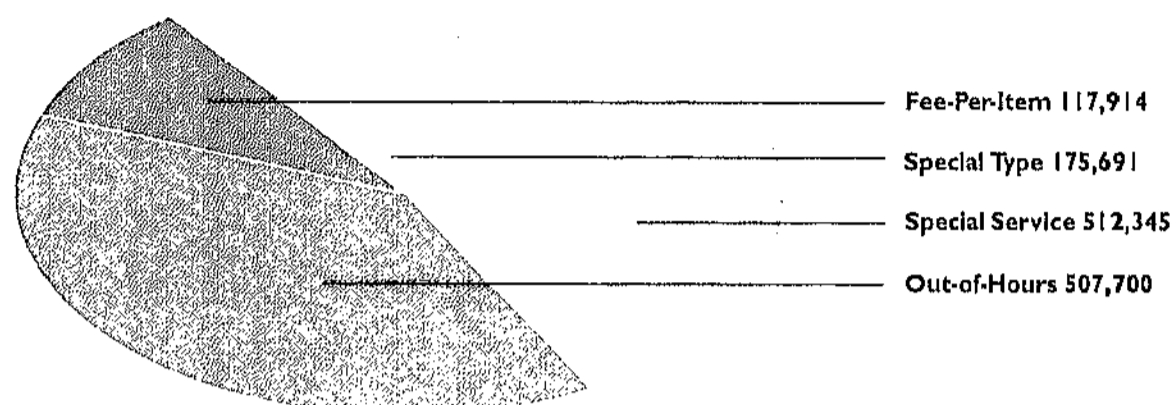
Health Board	2003
East Coast Area	€23,754,457
South West Area	€33,382,817
Northern Area	€28,030,495
Midland	€18,492,764
Mid-Western	€25,221,139
North Eastern	€25,332,582
North Western	€22,796,205
South Eastern	€35,326,726
Southern	€47,059,410
Western	€36,344,467
<b>National</b>	<b>€295,741,062</b>
<b>Corresponding figure for 2002</b>	<b>€282,068,333</b>

The total of payments to Doctors includes payments of: €4,083,044 under the Primary Childhood Immunisation Scheme; €201,587 to Doctors who provided services under the Health (Amendment) Act 1996; Heartwatch €1,171,010; Trainers/Trainee Grants €839,515; Leave for attendance at meetings €118,474 and €2,497,034 under the Methadone Treatment Scheme.

For details of Fees and Allowances payable refer to pages 36 to 37.

# Volume of Claims by Doctors

## National - Number of Claims - 2003



## Number of Claims in each Health Board

Health Board	Fee-Per-Item	Special Type	Special Service	Out-of-Hours
East Coast Area	481	8,169	34,047	24,186
South West Area	34,686	15,169	49,033	45,732
Northern Area	27,219	14,219	43,015	38,381
Midland	-	18,104	32,048	31,287
Mid-Western	10,733	16,498	42,533	36,751
North Eastern	-	9,253	41,152	10,719
North Western	-	14,015	41,752	40,867
South Eastern	9,722	17,925	72,304	73,622
Southern	35,073	32,402	84,002	121,166
Western	-	29,937	72,459	84,989
<b>National</b>	<b>117,914</b>	<b>175,691</b>	<b>512,345</b>	<b>507,700</b>
<b>Corresponding figures for 2002</b>	<b>135,603</b>	<b>173,734</b>	<b>486,634</b>	<b>481,407</b>

A majority of Doctors are paid an annual capitation fee for each eligible person - the rate of payment is determined by the age/gender of the person and distance between each person's residence and the centre of practice of their Doctor-of-Choice.

A minority of Doctors (18) who have continued to provide services under the Fee-Per-Item of Service agreement are paid a fee for each Doctor/Patient contact.

STC - A Special Type Consultation fee is payable when a GMS eligible person is unable to contact their registered Doctor and is seen as an emergency case by another.

General Practitioners qualify for payment of 'special fees' for the special items of service separately identified under the Capitation agreement and the Fee-Per-Item agreement.

## Payments to Pharmacies

**GMS €650.66m**

**DP €204.42m**

**LTI €73.35m**

**EEA €1.60m**

A GMS person who is provided with a properly completed GMS prescription form by his/her GP can choose to have such prescription forms dispensed in any of the Pharmacies who have entered into agreements with Health Boards for the provision of services under Section 59 of the Health Act, 1970.

In 2003 there were 12.2m prescription forms containing 32.2m prescription items dispensed at a cost of over €636,566,505 i.e. an average cost of €19.74 per dispensed item. More than 94% of all eligible GMS persons were prescribed for in the year. The average cost of medicines per GMS person in 2003 was €561.82 (Ref. Cost per Eligible Person, page 28).

Payments made to Pharmacies under the GMS and DTS Schemes are inclusive of the ingredient cost of medicines, dispensing fees and VAT.

Under DP, LTI and EEA Schemes Pharmacies are reimbursed the ingredient cost of items dispensed; dispensing fees and VAT; a markup of up to 50% on the ingredient cost of items dispensed is also paid.

The cost of the High Tech Drugs Scheme was €109.1m - at year end there were 22,353 persons registered under this Scheme - Patient Care Fees totalled €5.56m and payments for drugs and medicines totalled €103.58m.

In the year the Board processed claims valued at €231.85m on drugs acting on the 'cardiovascular system' (GMS €147.39m, DP €72.87m and LTI €11.59m). The second highest cost category was drugs acting on the 'nervous system' €189.59m (GMS €129.94m, DP €48.69m, LTI €10.96m). The third highest amount paid was for drugs acting on the alimentary tract and metabolism system €169.18m (GMS €98.24m, DP €50.26m, LTI €20.68m).

### Total of Payments to Pharmacies by Health Board

Health Board	GMS €	DP €	LTI €	*EEA €
East Coast Area	45,082,070	19,803,567	8,345,615	53,591
South Western Area	78,463,606	34,760,943	12,813,917	82,625
Northern Area	70,153,535	30,585,446	11,276,910	53,062
Midland	43,491,176	11,346,531	4,144,489	69,476
Mid-Western	58,759,820	18,021,345	5,305,538	150,484
North Eastern	57,215,278	16,470,245	5,919,072	116,743
North Western	43,262,742	7,563,064	3,885,368	236,322
South Eastern	79,024,620	19,347,490	7,666,063	178,472
Southern	103,986,830	31,093,567	8,919,596	354,045
Western	71,222,566	15,430,499	5,071,683	303,698
<b>National</b>	<b>€650,662,243</b>	<b>€204,422,697</b>	<b>€73,348,251</b>	<b>€1,598,518</b>
Corresponding figures for 2002	€550,892,538	€192,366,168	€61,635,841	€1,543,545

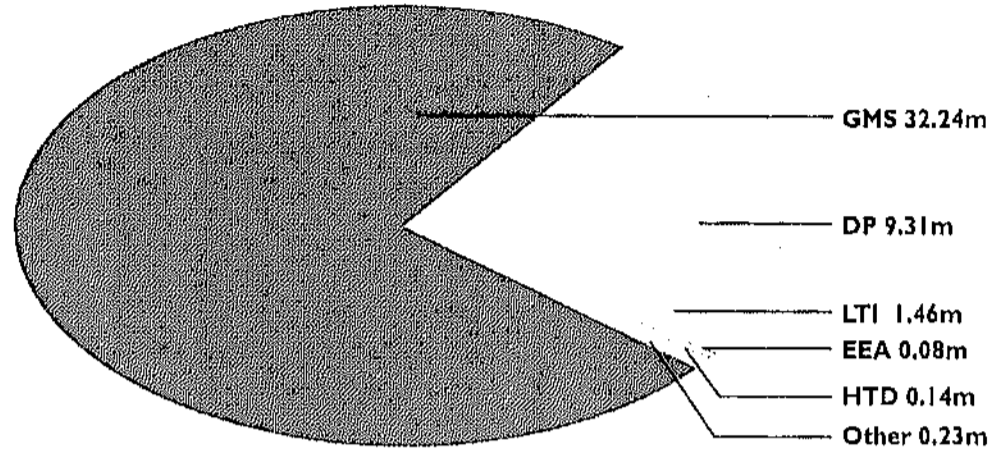
\*EEA - Payment to Pharmacies to cover the cost of GMS prescriptions dispensed for residents from the European Economic Area.

Pharmacies were also paid in respect of the drugs/medicines dispensed under: Health (Amendment) Act 1996 - €1,147,623; Methadone Treatment Scheme - €5,984,049; DTS Scheme - €485,656 and Patient Care Fees totalling €5,556,359 under the High Tech Drugs Scheme. (Payments to Wholesalers under the High Tech Drugs Scheme amounted to €103,580,708).

For details of Fees refer to page 38.

# Volume of Claims by Pharmacies

## National - Number of Items - 2003



GMS prescription forms processed for payment in the year totalled 12.2m - the total of prescribed items was more than 32.2m - these accounted for approximately 74% of all items paid for by the Board in 2003. Approximately 41.04% of GMS forms contained a single item; more than 21.21% contained 2 items - the average number of items per form was 2.63 (2002 - 2.55).

GMS dispensed items paid for by the Board in 2003 increased by more than 2,740,808 - the increase in the number of DP items was more than 248,349 - the overall increase in the number of pharmacy claims processed by the Board in the year was more than 3.2m.

## Number of Items in each Health Board

Health Board	GMS	DP	LTI	EEA	HTD	Other
East Coast Area	2,248,967	913,854	154,516	2,888	10,839	24,338
South West Area	3,991,431	1,468,763	252,213	4,167	19,888	81,287
Northern Area	3,457,933	1,333,816	235,013	2,685	16,419	66,788
Midland	2,117,488	543,798	83,255	3,439	9,028	5,090
Mid-Western	2,982,455	840,586	115,206	7,371	10,779	7,823
North Eastern	2,858,923	810,950	124,709	5,236	13,334	8,127
North Western	2,062,575	338,042	72,775	11,177	11,462	4,143
South Eastern	3,913,655	970,610	153,650	8,722	15,734	9,823
Southern	5,271,640	1,413,965	182,709	16,327	20,212	13,213
Western	3,335,440	676,900	89,747	13,725	15,500	7,268
<b>National</b>	<b>32,240,507</b>	<b>9,311,284</b>	<b>1,463,793</b>	<b>75,737</b>	<b>143,195</b>	<b>227,900</b>
Corresponding figures for 2002	29,499,699	9,062,935	1,280,110	75,521	118,140	194,737

\* This group includes 17,089 claim items in respect of the Health (Amendment) Act 1996; 161,304 items under the Methadone Treatment Scheme and 49,507 prescription items under the DTS Scheme.

GMS - General Medical Services Scheme. DP - Drugs Payment Scheme.

LTI - Long Term Illness Scheme. EEA - European Economic Area. HTD - High Tech Drugs Scheme.

Other - Methadone Treatment Scheme, Health (Amendment) Act 1996 and Dental Treatment Services Scheme.



# Payments to Dentists

Above the line €32.82m

Below the line €16.997m

Dentists were paid a total of €49,816,930 in 2003, in respect of treatments provided for more than 218,291 GMS persons under the DTS Scheme.

The following treatments were available to all eligible GMS persons.

**ROUTINE** - Routine treatments are categorised as either 'Above the Line' or 'Below the Line':  
 'Above the Line' treatments are uncomplicated procedures viz. Amalgam; Extractions;  
 'Below the Line' treatments are advanced procedures viz. Protracted Periodontal;  
 Prosthetics.

'Below the Line' treatments - prior Health Board approval for a specific course of treatment under this category is required. Full denture treatment is available, with prior Health Board approval, to all edentulous GMS persons over 16 years.

## Payments to Dentists in each Health Board

Health Board	2003
Eastern Regional Boards	€13,899,649
Midland	€2,946,100
Mid-Western	€4,134,657
North Eastern	€4,125,375
North Western	€3,308,741
South Eastern	€6,060,735
Southern	€8,822,404
Western	€6,519,269
<b>National</b>	<b>€49,816,930</b>
Corresponding figure for 2002	€45,672,441

Dentists were also paid a total of €51,025 in 2003 in respect of treatments under the Health (Amendment) Act 1996.

For details of Fees refer to page 39.

# Volume of Claims by Dentists

## National - Volume of Treatments - 2003

————— Above the Line 960,342

————— Below the Line 109,119

### Volume of Treatments by Dentists in each Health Board

Health Board	+Above the Line	+Below the Line	No. of persons treated under DTS
Eastern Regional Boards	270,623	29,269	62,758
Midland	52,455	7,789	13,142
Mid-Western	78,708	9,178	19,782
North Eastern	79,824	10,399	20,071
North Western	71,213	5,395	16,540
South Eastern	111,082	14,584	27,623
Southern	179,102	17,609	42,330
Western	117,335	14,896	27,566
<b>National</b>	<b>960,342</b>	<b>109,119</b>	<b>229,812</b>
Corresponding figures for 2002	893,205	109,578	210,106

*ROUTINE - Routine treatments are categorised as either 'Above the Line' or 'Below the Line':*

*'Above the Line' (ATL) treatments are uncomplicated procedures;*

*'Below the Line' (BTL) treatments are advanced procedures.*

*+ The most frequently used ATL service was Amalgam Restoration which was used by 94,304 patients followed by Oral Examination. In the BTL category the most frequently used service was Prosthetics followed by Radiographs and Protracted Periodontal.*

# Payments to Optometrists/Ophthalmologists

Under the Health Board Community Ophthalmic Services Scheme, Optometric/Ophthalmic services are provided to adult medical card holders, which includes free eye examinations and necessary spectacles/appliances.

Payments in respect of spectacles provided under the Children's Scheme are also made by the Board on behalf of the majority of Health Boards.

Payments in respect of eye examinations and necessary spectacles/appliances are provided under the Teenager's Scheme for eligible medical card holders on behalf of certain Health Boards.

In the 12 month period to the end of December 2003 claims were received on behalf of 160,658 eligible persons for 373,473 treatments costing €13,719,581.

Eye examinations by Optometrists/Ophthalmologists totalled 150,438; complete spectacles (distance, reading and bi-focals) provided under the Scheme totalled 221,961. The balance of treatments included replacement lenses and frames, tinted lenses, prisms and contact lenses.

## Payments to Optometrists/Ophthalmologists in each Health Board

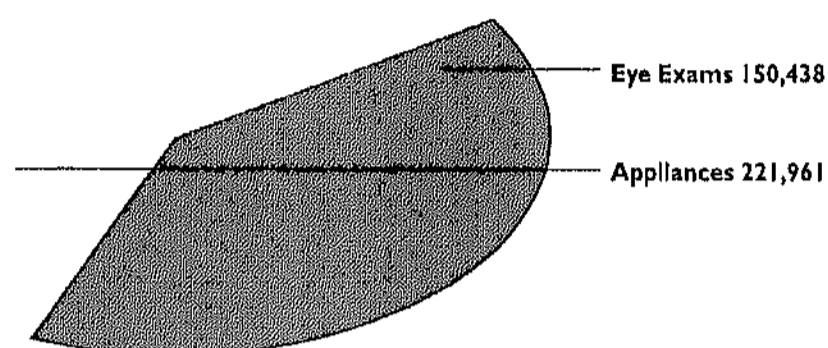
Health Board	2003
Eastern Regional Boards	€3,861,993
Midland	€772,690
Mid-Western	€1,257,660
North Eastern	€966,087
North Western	€1,054,248
South Eastern	€2,181,342
Southern	€2,228,383
Western	€1,397,178
<b>National</b>	<b>€13,719,581</b>
Corresponding figure for 2002	€13,940,154

*Opticians were also paid a total of €26,472 in 2003 in respect of treatments under the Health (Amendment) Act 1996.*

*For details of Fees refer to page 40.*

# Volume of Treatments by Optometrists/ Ophthalmologists

## National - Volume of Treatments - 2003



## Volume of Treatments by Optometrists/Ophthalmologists in each Health Board

Health Board	Eye Exams	Appliances	Volume of Treatments	No. of Persons Treated
Eastern Regional Boards	43,443	61,084	104,527	45,242
Midland	8,479	12,278	20,757	9,280
Mid-Western	12,086	21,549	33,635	14,633
North Eastern	10,398	15,596	26,661	11,058
North Western	12,366	16,798	29,571	13,226
South Eastern	23,376	36,252	59,628	24,703
Southern	24,698	35,819	60,517	26,256
Western	15,592	22,585	38,177	16,260
<b>National</b>	<b>150,438</b>	<b>221,961</b>	<b>373,473</b>	<b>160,658</b>
Corresponding figures for 2002	145,357	252,221	397,578	154,132

## Cost per Eligible Person

### National – 2003

—————	GMS €809.48
—————	LTI €771.45
—————	DTS €216.77
—————	HBCOS €85.40

### Cost per Eligible Person in each Health Board

Health Board	GMS			LTI	DTS	HBCOS
	Doctor Cost €	Pharmacy Cost €	Total Cost €	Pharmacy Cost €	Per Person Treated €	Per Adult Treated €
Eastern Boards	241.87	570.17	812.04	713.08	221.48	85.36
Midland	257.33	629.62	886.95	942.79	224.17	83.26
Mid-Western	245.36	594.51	839.87	813.98	209.01	85.95
North Eastern	241.90	552.51	794.41	959.02	205.54	87.37
North Western	230.33	441.99	672.32	846.30	200.04	79.71
South Eastern	254.00	572.38	826.38	923.84	219.41	88.30
Southern	257.08	594.48	851.56	655.95	208.42	84.87
Western	257.20	523.35	780.55	843.59	236.50	85.93
<b>National</b>	<b>€247.66</b>	<b>€561.82</b>	<b>€809.48</b>	<b>€771.45</b>	<b>€216.77</b>	<b>€85.40</b>
Corresponding figures for 2002	€221.15	€457.93	€679.08	€677.37	€217.38	€85.83

The Doctor cost above does not include superannuation paid to retired DMOs.

## Cost per Person

### National – 2003

_____	GMS €842.82
_____	LTI €1526.40
_____	DP €430.90
_____	DTS €216.77
_____	HBCOS €85.40

### \*Cost per Person in each Health Board

Health Board	GMS			LTI	DP	DTS	HBCOS
	Doctor Cost €	Pharmacy Cost €	Total Cost €	Pharmacy Cost €	Net Cost Per Claimant €	Per Person Treated €	Per Adult Treated €
Eastern Boards	241.87	588.26	830.13	1,609.91	500.50	221.48	85.36
Midland	257.33	649.14	906.47	1,503.81	407.31	224.17	83.26
Mid-Western	245.36	607.02	852.38	1,341.14	397.64	209.01	85.95
North Eastern	241.90	602.06	843.96	1,466.57	381.79	205.54	87.37
North Western	230.33	521.91	752.24	1,531.48	418.36	200.04	79.71
South Eastern	254.00	604.14	858.14	1,506.40	385.87	219.41	88.30
Southern	257.08	618.08	875.16	1,490.82	386.61	208.42	84.87
Western	257.20	578.08	835.28	1,429.45	392.43	236.50	85.93
<b>National</b>	<b>€247.66</b>	<b>€595.16</b>	<b>€842.82</b>	<b>€1,526.40</b>	<b>€430.90</b>	<b>€216.77</b>	<b>€85.40</b>

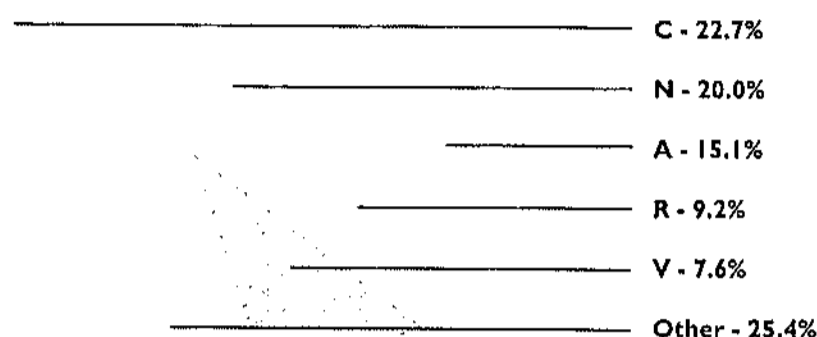
The Doctor cost above does not include superannuation paid to retired DMOs.

\*In our previous Annual Reports the pharmacy cost per person was calculated on the basis of the total number of persons eligible under the relevant Scheme, irrespective of whether they actually availed of the service during that year (see previous page). The above table shows the actual cost per person in respect of those who availed of services under each Scheme in 2003.

Medical and pharmaceutical services delivered to GMS persons increased in cost from €744.38 in 2002 to €842.82 in 2003 an increase of €98.44 per person - the cost of medical services per person increased in cost from €221.15 in 2002 to €247.66 in 2003 an increase of 12.00% as did the cost per person of pharmaceutical services €523.23 in 2002 to €595.16 in 2003 an increase of 13.75%.

# Major Therapeutic Classification of Drugs, Medicines and Appliances - General Medical Services Scheme

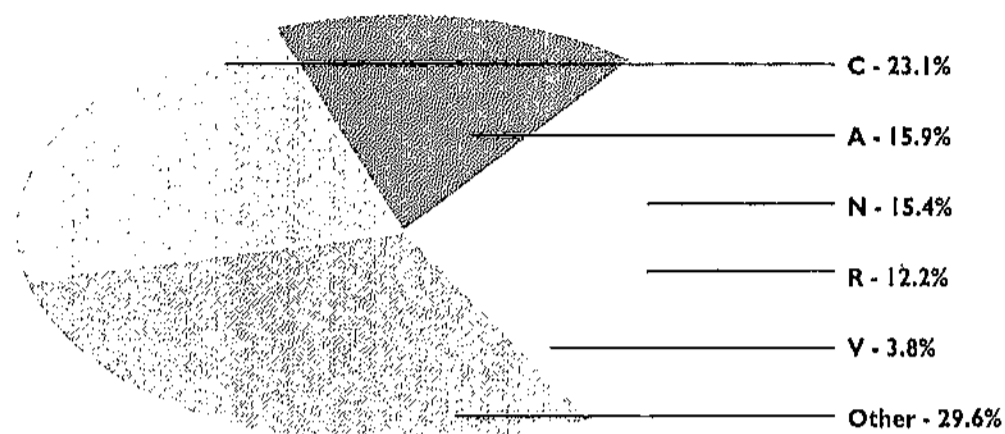
National - 2003



Major Therapeutic Classification		€m	%
<b>A</b>	<b>Alimentary Tract and Metabolism</b>	<b>98.24</b>	<b>15.1</b>
<b>B</b>	Blood and Blood Forming Organs	25.72	4.0
<b>C</b>	<b>Cardiovascular System</b>	<b>147.39</b>	<b>22.7</b>
<b>D</b>	Dermatologicals	13.75	2.1
<b>G</b>	Genito Urinary System and Sex Hormones	26.37	4.0
<b>H</b>	Systemic Hormonal Preps. excl. Sex Hormones	6.24	0.9
<b>J</b>	Anti-infectives for Systemic Use	29.31	4.5
<b>L</b>	Antineoplastic and Immunomodulating Agents	4.94	0.8
<b>M</b>	Musculo-Skeletal System	46.40	7.1
<b>N</b>	<b>Nervous System</b>	<b>129.94</b>	<b>20.0</b>
<b>P</b>	Antiparasitic Products	0.72	0.1
<b>R</b>	<b>Respiratory System</b>	<b>59.56</b>	<b>9.2</b>
<b>S</b>	Sensory Organs	12.64	1.9
<b>V</b>	Clinical Nutritional Products	23.81	3.6
	Diagnostic Products	10.50	1.6
	Ostomy Appliances	7.77	1.2
	Urinary Appliances	2.27	0.4
	Needles/Syringes/Lancets	1.80	0.3
	Dressings	1.37	0.2
	Miscellaneous	1.92	0.3
<b>Total</b>		<b>€650.66m</b>	<b>100%</b>

# Major Therapeutic Classification of Drugs, Medicines and Appliances - Drugs Payment Scheme

National - 2003



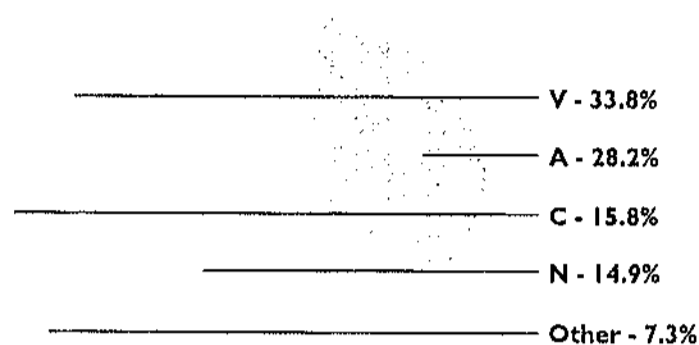
Major Therapeutic Classification		€m	%
<b>A</b>	<b>Alimentary Tract and Metabolism</b>	<b>50.26</b>	<b>15.9</b>
<b>B</b>	Blood and Blood Forming Organs	8.24	2.6
<b>C</b>	<b>Cardiovascular System</b>	<b>72.87</b>	<b>23.1</b>
<b>D</b>	Dermatologicals	13.77	4.3
<b>G</b>	Genito Urinary System and Sex Hormones	23.25	7.4
<b>H</b>	Systemic Hormonal Preps. excl. Sex Hormones	2.37	0.8
<b>J</b>	Anti-Infectives for Systemic Use	16.27	5.2
<b>L</b>	Antineoplastic and Immunomodulating Agents	3.75	1.2
<b>M</b>	Musculo-Skeletal System	21.82	6.9
<b>N</b>	<b>Nervous System</b>	<b>48.69</b>	<b>15.4</b>
<b>P</b>	Antiparasitic Products	0.32	0.1
<b>R</b>	<b>Respiratory System</b>	<b>38.65</b>	<b>12.2</b>
<b>S</b>	Sensory Organs	3.47	1.1
<b>V</b>	Clinical Nutritional Products	5.11	1.6
	Ostomy Appliances	4.04	1.3
	Urinary Appliances	1.10	0.3
	Diagnostic Products	0.69	0.2
	Dressings	0.49	0.2
	Needles/Syringes/Lancets	0.14	0.0
	Miscellaneous	0.53	0.2
<b>Total</b>		<b>€315.83m</b>	<b>100%</b>

Note: The above costs are inclusive of the monthly payment of €70 payable to the Pharmacy by the individual or family.



# Major Therapeutic Classification of Drugs, Medicines and Appliances – Long Term Illness Scheme

National – 2003



Major Therapeutic Classification of Drugs, Medicines and Appliances

Classification	Value	Percentage
<b>A Alimentary Tract and Metabolism</b>	<b>20.68</b>	<b>28.2</b>
B Blood and Blood Forming Organs	0.92	1.3
<b>C Cardiovascular System</b>	<b>11.59</b>	<b>15.8</b>
D Dermatologicals	0.12	0.2
G Genito Urinary System and Sex Hormones	0.55	0.8
H Systemic Hormonal Preps. excl. Sex Hormones	0.62	0.8
J Anti-infectives for Systemic Use	1.85	2.5
L Antineoplastic and Immunomodulating Agents	0.08	0.1
M Musculo-Skeletal System	0.56	0.8
<b>N Nervous System</b>	<b>10.96</b>	<b>14.9</b>
P Antiparasitic Products	0.04	0.0
R Respiratory System	0.45	0.6
S Sensory Organs	0.11	0.2
<b>V Diagnostic Products</b>	<b>15.96</b>	<b>21.8</b>
Clinical Nutritional Products	4.57	6.2
Needles/Syringes/Lancets/Swabs	2.61	3.5
Urinary Appliances	0.61	0.8
Nutritional/Ancillary Devices	0.51	0.7
Ostomy Appliances	0.14	0.2
Dressings	0.14	0.2
Miscellaneous	0.28	0.4
<b>Total</b>	<b>€73.35m</b>	<b>100%</b>

**Summary of  
Statistical  
Information for  
each of the five  
years 1999-2003**

## Summary of Statistical Information relating to the GMS Scheme for each of the five years 1999-2003

	2003	2002	2001	2000	1999
Number of Eligible Persons in December	1,158,143	1,168,745	1,199,454	1,148,055	1,164,187
<b>Doctors</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>
Total Payments	€286,830	€271,939	€203,863	€165,975	€151,292
Doctors' Payment per Eligible Person	€247.66	€221.15	€169.46	€138.43	€123.18
<b>Pharmacies</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>
Total Cost of Prescriptions	€636,566	€537,874	€422,464	€328,348	€281,699
Ingredient Cost	€508,578	€423,269	€329,497	€262,881	€223,209
Dispensing Fee	€121,115	€104,827	€85,413	€59,325	€52,843
VAT	€11,873	€9,778	€7,554	€6,142	€5,647
Number of Forms	12,243	11,551	10,454	9,737	9,631
Number of Items	32,241	29,500	25,521	22,882	21,679
Cost per Form	€51.99	€46.57	€40.41	€33.72	€29.24
Cost per Item	€19.74	€18.24	€16.55	€14.35	€12.99
Ingredient Cost per Item	€15.62	€14.35	€12.91	€11.49	€10.30
Items per Form	2.63	2.55	2.44	2.35	2.25
<b>Total Cost of Stock Orders</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>
Total Cost of Stock Orders	€114,096	€12,018	€11,555	€10,455	€9,452
Ingredient Cost	€10,904	€10,059	€8,945	€8,072	€7,282
Pharmacy Fees	€2,726	€2,516	€2,222	€2,019	€1,820
VAT	€466	€444	€388	€364	€350
<b>Overall Cost of Medicines</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>	<b>(000's)</b>
Overall Cost of Medicines	€650,662	€550,892	€434,019	€338,803	€291,151
Pharmacy Payment per Eligible Person	€561.82	€457.93	€371.08	€292.61	€246.39
<b>Overall Payments</b>	<b>€937,493</b>	<b>€822,831</b>	<b>€637,882</b>	<b>€504,778</b>	<b>€442,443</b>
<b>Overall Payment per Eligible Person</b>	<b>€809.48</b>	<b>€679.08</b>	<b>€540.54</b>	<b>€431.04</b>	<b>€369.57</b>

Doctors' payment per person is exclusive of superannuation paid to retired DMOs.

**Summary of Statistical Information relating to the LTI Scheme for each of the five years 1999-2003 and the DP Scheme for the years 2000-2003**

	2003	2002	2001	2000	1999
<b>LTI Scheme</b>					
Number of Eligible Persons in December	97,184	92,745	87,988	82,619	76,848
Average Number of Claimants	32,720	31,422	30,165	27,382	26,885
	(000's)	(000's)	(000's)	(000's)	(000's)
Number of Items	1,464	1,280	1,157	988	877
Total Cost	€73,348	€61,636	€52,081	€41,736	€34,548
Cost per Item	€50.11	€48.15	€44.98	€42.26	€39.39
Cost per Claimant	€2,241.69	€1,961.55	€1,726.52	€1,524.24	€1,285.04
Cost per Eligible Person	€771.45	€677.37	€608.16	€524.00	€465.84
<b>DP Scheme</b>					
Number of Eligible Persons in December	1,396,813	1,319,395	1,156,836	942,193	
Average Number of Claimants	204,065	205,578	199,546	155,638	
	(000's)	(000's)	(000's)	(000's)	
Number of Items	9,311	9,063	8,985	7,776	
Gross Cost	€315,832	€287,489	€262,187	€212,087	
Net Cost	€204,422	€192,366	€177,617	€140,598	
Gross Cost per Item	€33.92	€31.72	€29.18	€27.27	
Net Cost per Claimant	€430.90				

# Fees and Allowances under Capitation Agreement

## Capitation Fees as at 31st December 2003

Ages	Up to 3 Miles		3-5 Miles		5-7 Miles		7-10 Miles		Over 10 Miles	
	Male €	Female €	Male €	Female €	Male €	Female €	Male €	Female €	Male €	Female €
Up to 4	62.78	61.31	65.95	64.51	70.63	69.21	75.29	73.88	81.07	79.61
5 - 15	37.65	38.05	38.99	39.38	40.90	41.36	42.79	43.22	45.16	45.53
16 - 44	47.25	75.43	48.97	77.13	51.49	79.65	53.99	81.73	57.02	85.19
45 - 64	91.48	100.23	95.57	104.33	101.64	110.37	107.61	116.37	115.04	123.76
65 - 69	96.22	107.00	107.62	118.42	124.56	135.34	141.19	151.98	161.87	172.69
70 and over	99.25	110.36	110.98	122.15	128.50	139.61	145.69	156.83	167.02	178.19

Above rates inclusive of supplementary Out-of-Hours Fee.

The Capitation rate is €480.64 per annum for persons aged 70 years and over in the community issued with a medical card for the first time regardless of income. A Capitation rate of €696.58 per annum will apply to anyone aged 70 years and over in a private nursing home (approved by a Health Board) for continuous periods in excess of five weeks.

### Out-of-Hours Payment

Surgery	€36.22
<i>Domiciliary</i>	
Up to 3 miles	€36.22
3 - 5 miles	€48.33
5 - 7 miles	€54.42
7 - 10 miles	€60.39
Over 10 miles	€72.49
Additional Fee	€28.29

### \*Special Items of Service

(i) to (ix)	€22.65
(x) and (xi)	€33.99
(xii)	€56.66
(xiii)	€39.27
(xiv)	€62.86
(xv) and (xvi)	€31.18
(xvii)	€46.79
(xviii)	€112.44
	+Mileage

### Temporary Residents

Surgery	€36.22
<i>Domiciliary</i>	
Up to 3 miles	€36.22
3 - 5 miles	€48.33
5 - 7 miles	€54.42
7 - 10 miles	€60.39
Over 10 miles	€72.49
Rural Dispensing Fee	€32.30
Fee for Second Medical Opinion	€24.17

### Practice Payments for Rural Areas

Rural Practice Allowance Per Annum €14,867.70

### Practice Support

Allowance for Practice Secretary up to a maximum Per Annum of €19,894.27

Allowance for Practice Nurse up to a maximum Per Annum of €31,262.43

### Contributions to Locum Expenses

(Subject to the conditions of the Agreement)

Annual Leave — Up to a maximum of  
Sick Leave — €1,261.19 per week

Study Leave — Up to a maximum of  
Maternity Leave — €180.17 per day

### Contributions to Medical Indemnity Insurance

Calculation of contribution is related to GMS panel numbers and net premium.

### Asylum Seekers

A one off superannuable registration fee of €139.32 per relevant patient will be paid to Doctors in respect of each such patient on their GMS Scheme panels.

\* Special Items of Service.

- (i) Excisions/Cryotherapy/ Diathermy of Skin Lesions.
- (ii) Suturing of Cuts and Lacerations.
- (iii) Draining of Hydroceles.
- (iv) Treatment and Plugging of Dental and Nasal Haemorrhages.
- (v) Recognised Vein Treatment.
- (vi) ECG Tests and their Interpretation.
- (vii) Instruction in the fitting of a Diaphragm.
- (viii) Removal of Adherent Foreign Bodies from the Conjunctival Surface of the Eye.
- (ix) Removal of Lodged or Impacted Foreign Bodies from the Ear, Nose and Throat.
- (x) Nebuliser Treatment in the case of Acute Asthmatic Attack.
- (xi) Bladder Catheterization.
- (xii) Attendance at case conferences (in cases where such are convened by a DCC/MOH).
- (xiii) Advice and Fitting of a Diaphragm.
- (xiv) Counselling and Fitting of an IUCD.
- (xv) Pneumococcal Vaccination.
- (xvi) Influenza Vaccination.
- (xvii) Pneumococcal/Influenza Vaccination.
- (xviii) Hepatitis B Vaccination.

**Fees and Allowances under the Fee-Per-Item Agreement and Fees under the Immunisation Scheme, Health (Amendment) Act 1996 and Methadone Treatment Scheme**

		<b>As at 31st December 2003</b>	
<b>Surgery Consultations</b>			
Day	Normal Hours	€9.98	
Late	Outside Normal Hours other than (Night)	€14.19	
Night	Midnight to 8.00 a.m.	€28.07	
<b>Domiciliary Consultations</b>			
Day	Normal Hours		
	Urban	€14.73	
	Up to 3 miles	€14.73	
	3-5 miles	€19.28	
	5-7 miles	€25.89	
	7-10 miles	€32.46	
	Over 10 miles	€40.59	
Late	<b>Outside Normal Hours</b>		
	Urban	€19.28	
	Up to 3 miles	€19.28	
	3-5 miles	€24.92	
	5-7 miles	€32.46	
	7-10 miles	€43.12	
	Over 10 miles	€50.58	
Night	<b>Midnight to 8.00 a.m.</b>		
	Urban	€37.79	
	Up to 3 miles	€37.79	
	3-5 miles	€48.57	
	5-7 miles	€61.44	
	7-10 miles	€68.58	
	Over 10 miles	€74.44	
	<b>Emergency Fee/EEA Fee (Additional to Standard Fee)</b>	€10.91	
	Dispensing Fee	€10.91	
	<b>Rural Practitioner's Allowance</b>		
	Per Annum	€6,433.58	
	<b>Locum and Practice Expense Allowance</b>		
	Per Annum	€1,252.45	
	<b>Sessional Rate - Homes for the Aged</b>		
	Per 3 Hour Session	€66.84	
	<b>*Special Items of Service</b>		
	(i) to (vii)	€20.50	
	(viii) and (ix)	€31.18	
	(x)	€46.79	
	(xi)	€112.44	
	<b>Immunisation Fees</b>		
	(i) Registration of child with a GP	€32.70	
	(ii) Complete course of Immunisation against DPT/DT; Hib; Polio and MMR	€108.94	
	(iii) 95% uptake bonus	€52.48	
	<b>Health (Amendment) Act 1996</b>		
	Surgery Fee	€31.22	
	Domiciliary Fee	€41.16	
	<b>Methadone Treatment Scheme</b>		
	Patient Care Fee - up to a maximum per month of	€105.81	

\* Special Items of Service.

(i) Excisions/Cryotherapy/  
Diathermy of Skin  
Lesions.

(ii) Suturing of Cuts and  
Lacerations.

(iii) Draining of Hydroceles.

(iv) Treatment and Plugging  
of Dental and Nasal  
Haemorrhages.

(v) Recognised Vein  
Treatment.

(vi) ECG Tests and their  
Interpretation.

(vii) Instruction in the fitting  
of a Diaphragm.

(viii) Pneumococcal  
Vaccination.

(ix) Influenza Vaccination.

(x) Pneumococcal/Influenza  
Vaccination.

(xi) Hepatitis B Vaccination.

## Scale of Fees Payable to Participating Pharmacists as at 31st December 2003

<b>GMS Scheme</b>	
<b>Standard Fee-Per-Item (Note 1)</b>	298.00
<b>Extemporaneous Fee</b>	570.02
<b>Extemporaneous dispensing and compounding of</b>	
- Powders	1,710.05
- Ointments and Creams	1,140.03
<b>Controlled Drugs</b>	460.18
<b>Non-Dispensing - exercise of professional judgement</b>	285.01
<b>Phased Dispensing - each part of phased dispensing</b>	285.01
<b>Urgent/Late Dispensing</b>	
Additional fee for Urgent/Late dispensing other than between midnight and 8.00 a.m. (Note 2)	793.62
Additional fee for Urgent/Late dispensing between midnight and 8.00 a.m.	1,639.14

**Note 1** 253.71c basic fee and 44.28c allowance for containers, obsolescence etc.

**Note 2** Urgent fee prescriptions are those so specified by the prescriber and necessarily dispensed outside normal hours.  
Late fee prescriptions are those which, though not marked urgent, are in exceptional circumstances necessarily dispensed outside normal hours by the Pharmacist, having regard to the person's requirements.

**Note 3** A Standard Fee-Per-Item is also payable on prescription forms issued by Dentists under the DTS Scheme.

**Note 4** An Additional Fee-Per-Item of 392.71c is also payable on prescription forms in respect of persons aged 70 years and over issued with a medical card for the first time regardless of income.

### Supplies to Dispensing Doctors

Pharmacies supplying Dispensing Doctors are reimbursed on the basis of the basic trade price with the addition of 25% on cost.

### DP/LTI/EEA Schemes and Health (Amendment) Act 1996

#### Reimbursement of ingredient cost plus

#### 50% mark-up on ingredient cost plus

#### Standard Fee - 259c (Note 1)

#### 20% mark-up on Incontinence Products and Dressings under DP Scheme

Extemporaneously dispensed preparations are reimbursed at current private prescription rates. In the case of the Drugs Payment Scheme the Board makes payments to Pharmacies in respect of authorised Patients whose monthly costs of prescribed drugs and medicines are in excess of the specified monthly amount (**currently €70**) payable to the Pharmacy by an individual or family.

**Note 1** The standard fee is an all inclusive fee which includes container and broken bulk allowance.

### High Tech Medicines Scheme

**Patient Care Fee: €49.64 per month.**

### Methadone Treatment Scheme

**Patient Care Fee: Up to a Maximum of €49.59 per month.**

## Scale of Fees Payable under the Dental Treatment Services Scheme

Treatment Type	As at 31st December 2003 Routine €
Oral Examination	27.58
Prophylaxis	25.91
Restoration (Amalgam)	41.68
Restoration (Composite) 6 anterior teeth only	43.21
Exodontics (Extraction under local anaesthetic)	32.93
Surgical Extraction - Maximum 3 units:	
Fee payable for each 15 minute unit	29.32
Maximum	87.96
1st Stage Endodontic Treatment (Anterior teeth only)	47.71
<b>Denture Repairs</b>	
1st Item of Repair	37.94
Each Subsequent Item	12.16
Maximum	62.26
Apicectomy/Amputation of Roots	*Dentist Estimate
Endodontics (Anterior teeth only)	*Dentist Estimate
Protracted Periodontal Treatment	*Dentist Estimate
<b>Radiographs</b>	
1 Film	20.63
2 or more Films	31.19
Panoramic	34.53
<b>Miscellaneous</b>	
(e.g. Abscess, Haemorrhage, Dressings etc.)	18.86
<b>Prosthetics</b>	
Full Upper or Lower Denture (Other than Edentulous Persons)	258.60
Partial Upper or Lower Acrylic Denture	189.68
Complete Upper or Lower Reline	103.52
Complete Upper and Lower Reline	172.32
Full Upper and Lower Denture (Edentulous Persons Only)	379.50

\* Dentist Estimates are subject to agreement between a Dentist and a Health Board.





**Financial  
Statements  
for year ended  
31st December  
2003**



**General Medical Services (Payments) Board**  
An Bord Seirbhísí Liachta Ginearálta (locaíochtaí)



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## General Medical Services (Payments) Board and Other Information

### Board Members

Ms. M. Windle	Northern Area Health Board ( <i>Chairman</i> )
Mr. S. Mannion	Western Health Board ( <i>Vice Chairman</i> )
Mr. D. Moloney	Department of Health & Children
Ms. B. Kiberd	Eastern Regional Health Authority
Mr. P. O'Dowd	Midland Health Board
Mr. T. Kelly	North Western Health Board
Mr. G. Crowley	Mid-Western Health Board
Mr. R. Dooley	South Eastern Health Board
Mr. C. Desmond	Department of Health & Children
Mr. P. Healy	Southern Health Board
Mr. T. McGuinn	Department of Health & Children
Mr. H. Kane	South Western Area Health Board
Ms. C. Hartigan	East Coast Area Health Board
Mr. G. Day	North Eastern Health Board

### Chief Officer

Mr. P. Burke

### Auditor

Comptroller & Auditor General  
Dublin Castle  
Dublin 2

### Bankers

Bank of Ireland  
Phibsborough  
Dublin 7

### Solicitors

Arthur Cox  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2

## Statement of Board Members' Responsibilities for year ended 31st December 2003

The Board is required by the General Medical Services (Payments) Board (Establishment) Order, 1972 to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the General Medical Services (Payments) Board and of the income and expenditure for that period.

In preparing those statements, the Board is required to –

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- disclose and explain any material departures from applicable accounting standards
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the General Medical Services (Payments) Board will continue in existence.

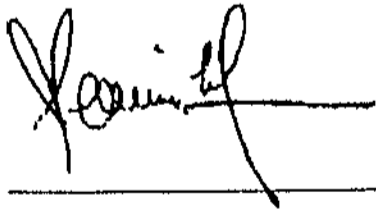
The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the General Medical Services (Payments) Board and which enable it to ensure that the financial statements comply with the Order. It is also responsible for safeguarding the assets of the General Medical Services (Payments) Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



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Maureen Windle, *Chairman*



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Seamus Mannion, *Vice Chairman*

## Statement on the System of Internal Financial Control

### Responsibility for the System of Internal Financial Controls

On behalf of the Board of the General Medical Services (Payments) Board, I acknowledge our responsibility for reviewing and ensuring the effectiveness of the organisations system of internal financial controls.

The Management of the Board through the Chief Officer is responsible for monitoring the system of internal control and providing assurances to the Board.

A system of internal control is designed to reduce rather than eliminate risk and such a system can provide only a reasonable and not an absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

### Key Control Procedures

The following is a description of the key procedures which have been put in place by our Board designed to provide effective internal financial control.

- (i) The Board has an established organisational structure with clearly defined lines of responsibility and reporting. The Board's Executive has responsibility for the implementation and maintenance of the system of internal financial control. Formal procedures for reporting significant control failures and ensuring corrective action are in place.
- (ii) The strength of the internal financial control systems is dependant on the quality and integrity of both management and staff.
- (iii) The Board operates a comprehensive Financial Management and Reporting process. The Board's expenditure is monitored against allocation on a monthly basis by the Department of Health & Children with all significant variances investigated and explained.

(iv) The Board has defined authorisation procedures in respect of procurement and payment of creditors. These authorisation limits together with statements on internal control requirements are set out in the Board's Financial Regulations.

(v) The procedures for monitoring the effectiveness of the internal financial control system include:

- A Finance Committee which meets regularly and reviews financial performance;
- The Board's Financial Management System contains in-built authorisation controls to ensure that only authorised staff can carry out the specific processes;
- The work of Internal Audit which is informed by analysis of the risk. The Internal Audit plans are endorsed by the Audit Committee;
- An Audit Committee which meets at least quarterly and which includes independent non-executive members.

(vi) The Board's monitoring and review of the effectiveness of the system of internal control is informed by the work of the members of the Board, the Finance & Audit Committees, the Internal Auditor and the comments made by the Comptroller and Auditor General in his management letter or other reports.

### Review of Controls

I confirm that in the year ended 31st December 2003 the Board carried out a review of internal financial controls.

On behalf of the Board



Maureen Windle, *Chairman*

# Accounting Policies

The Board was set up to make payments on behalf of the Health Boards for general practitioner, pharmaceutical services, dental treatment and ophthalmic services, which the Health Boards provide to qualifying persons under the Health Act 1970. The Board is reimbursed its direct costs together with the administration costs incurred in operating the payments service as set out in Note 1 to the Accounts.

## 1. Basis of Accounting

The accounts have been prepared on an accruals basis to reflect the costs of medicines and medical services provided, and the administration costs incurred in the year, and the matching income receivable to fund these costs.

By direction of the Minister for Health & Children no provision has been made in respect of benefits payable under the Local Government Superannuation Scheme.

## 2. Doctors' Fees and Allowances

Most services from Doctors are provided under an agreement concluded in 1989. Fees are mainly based on capitation taking into account the age of the patient and the distance from the surgery.

## 3. Pharmaceutical Services

Payments to Pharmacists are made under a service agreement with Health Boards concluded in 1996. This agreement covers medical card holders and other schemes. With effect from 1996 claims have been subject to third party confirmation.

## 4. Dental Treatment Services Scheme

Payments under this heading comprise amounts paid to Dentists operating as private practitioners in respect of dental treatment provided for GMS patients. The balance of such treatment is provided directly by Health Boards.

## 5. Health Board Community Ophthalmic Services Scheme

Payments under this heading comprise amounts paid from 1st July 1999 to Optometrists and Ophthalmologists operating as private practitioners in respect of examinations and appliances provided to adult GMS patients. Services for children are separately provided for by Health Boards.

## 6. Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is provided for on all fixed

assets in order to write off the cost or valuation of the assets over their anticipated useful lives. The following rates of Depreciation have been applied on a straight line basis.

Furniture, Fixtures & Fittings	10%
Information Technology	20%
Library	10%
Office Equipment	10%

## 7. Superannuation

### Staff

No provision has been made in respect of benefits payable under the Local Government Superannuation Scheme as the liability is underwritten by the Minister for Health & Children. Contributions from employees who are members of the Scheme are credited to the Income and Expenditure Account when received. Pension payments under the Scheme are charged to the Income and Expenditure Account when paid.

### Doctors

A contribution of 10% of capitation payments is made by the Board towards the superannuation of participating Doctors.

## 8. Income

In accordance with the Board's Establishment Order payments made by the Board in respect of services, along with its other expenses, are met by the Health Boards and by the Department of Health & Children on behalf of Health Boards. On this basis the Board recognises income to match expenditure as it is incurred. Since 1987 the practice has been each year that the core allocation to the Board, for the Medical Card Scheme, has been provided through the Department of Health & Children vote.

## 9. Stocks

### Dispensing Doctors' Stocks

Medicines, drugs and appliances can only be supplied to a Dispensing Doctor on receipt of a stock order form fully completed by him/her that has received approval from the Health Board.

### High Tech Stocks

Under the arrangements in place for the supply of High Tech Medicines by Community Pharmacies, supply of drugs/medicines can be called forward from Wholesalers by Community Pharmacists for dispensing to approved persons.



## Income and Expenditure Account for year ended 31st December 2003

	Notes	2003 €	2002 €
<b>Income</b>			
Recoupment from Department of Health & Children and Health Boards	1	1,463,637,814	1,274,482,343
Rebate from Pharmaceutical Manufacturers		14,788,005	11,069,179
Other Income	2	532,457	425,271
<b>Total Income</b>		<b><u>1,478,958,276</u></b>	<b><u>1,285,976,793</u></b>
<b>Expenditure</b>			
Administration	3	12,495,917	13,482,909
Doctors' Fees and Allowances	4	311,689,130	298,445,587
Pensions paid to former DMOs or Dependants	5	5,907,892	5,876,747
Pharmaceutical Services	6	1,080,347,266	904,362,459
Dental Treatment Services Scheme	7	50,126,119	46,743,324
Community Ophthalmic Services Scheme	8	14,818,079	14,651,548
Depreciation	10	924,748	763,863
<b>Total Expenditure</b>		<b><u>1,476,309,151</u></b>	<b><u>1,284,326,437</u></b>
<b>Surplus/(Deficit) for year</b>		<b>2,649,125</b>	<b>1,650,356</b>
Accumulated fund at 1st January		9,574,902	7,924,546
Accumulated fund at 31st December		<b><u>12,224,027</u></b>	<b><u>9,574,902</u></b>

*A statement of recognised gains and losses has not been prepared as the only recognised surplus for the year and the preceeding year was the surplus as stated above.*

*The Accounting Policies and Notes 1-19 form part of these accounts.*

## Balance Sheet as at 31st December 2003

		2003		2002	
	Notes	€	€	€	€
<b>Fixed Assets</b>	10		2,080,585		2,064,706
<b>Current Assets</b>					
Debtors	11	235,335,690		190,673,535	
Stocks on Hand	12	10,118,375		7,485,129	
Bank		5,685,934			
Cash		152		218	
		<u>251,140,151</u>		<u>198,158,882</u>	
<b>Current Liabilities</b>					
Creditors	13	240,996,709		187,014,763	
Bank				3,633,923	
		<u>240,996,709</u>		<u>190,648,686</u>	
<b>Net Current Assets</b>			<u>10,143,442</u>		<u>7,510,196</u>
<b>Net Assets</b>			<u>12,224,027</u>		<u>9,574,902</u>
Represented by:					
<b>Accumulated Fund</b>			<u>12,224,027</u>		<u>9,574,902</u>

*The Accounting Policies and Notes 1-19 form part of these accounts.*

## Cash Flow Statement for year ended 31st December 2003

	Note	2003 €	2002 €
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	(A)	10,260,418	32,326,215
<b>Investing Activities</b>			
Purchase of Fixed Assets		(940,627)	(709,184)
<b>(Decrease)/Increase in Cash and Cash Equivalents</b>	(B)	<u>9,319,791</u>	<u>31,617,031</u>

### (A) Analysis of Net Cash Inflow/(Outflow) from Operating Activities

	2003 €	2002 €
Operating Surplus/(Deficit)	2,649,125	1,650,356
Depreciation Charges	924,748	763,863
(Increase)/Decrease in Debtors	(44,662,155)	10,338,008
(Increase)/Decrease in Stocks on Hand	(2,633,246)	(1,705,034)
Increase/(Decrease) in Creditors	53,981,946	21,279,022
<b>Net Cash (Outflow)/Inflow from Operating Activities</b>	<u>10,260,418</u>	<u>32,326,215</u>

### (B) Reconciliation of Increase/(Decrease) in cash and cash equivalents as shown in the Balance Sheet

	2003 €	2002 €	Change in Year
Bank	5,685,934	(3,633,923)	9,319,857
Cash in Hand	152	218	(66)
	<u>5,686,086</u>	<u>(3,633,705)</u>	<u>9,319,791</u>

## Notes to the Financial Statements

### 1. Recoupment from Department of Health & Children/Health Boards

The Health Boards fund the cost of the following Schemes administered by the Board – Drugs Payment Scheme/Long Term Illness Scheme/Ophthalmic Services Scheme/Dental Treatment Services Scheme/Childhood and GMS Immunisation Schemes/High Tech Drugs Scheme in respect of Non-GMS patients and Methadone Scheme. Funding for the other schemes and services administered by the Board, as well as the Board's administration costs, is provided by the Department of Health & Children, on behalf of the Health Boards. The sums provided were:

	2003	2002
	€	€
Department of Health & Children	1,050,277,557	890,450,735
Health Boards	413,360,257	384,031,608
	<u>1,463,637,814</u>	<u>1,274,482,343</u>

### 2. Other Income

	2003	2002
	€	€
Superannuation deductions GMS Staff	201,247	137,720
Superannuation deductions former District Medical Officers and Dependants	33,007	19,974
Bank Interest and Sundries	298,203	267,577
	<u>532,457</u>	<u>425,271</u>

### 3. Administration Expenditure

	2003	2002
	€	€
Staff Remuneration	4,878,681	4,653,652
Health Board Stationery	1,157,941	695,108
Computer Development	3,358,638	3,281,919
Premises Rent and Services	377,110	361,109
Office Supplies, Printing and Stationery	1,410,727	1,863,720
Bank Interest/Charges	14,769	25,475
Repairs and Maintenance (Equipment & Premises)	117,260	177,060
Postage and Telephone	576,269	403,413
Journals and Periodicals	108,421	352,528
Medical Training Courses	-	-
Legal Expenses	15,691	41,594
Audit Fee	49,434	43,500
Bad Debts/Bad Debts Provision	-	-
Sundry Administration	430,976	1,583,831
	<u>12,495,917</u>	<u>13,482,909</u>

## Notes to the Financial Statements

4. Doctors' Fees & Allowances	2003	2002
	€	€
<b>Fees</b>		
Capitation	155,299,615	150,287,395
Board's contribution to Doctors' Superannuation Scheme	15,205,570	15,037,925
Special Type Consultations/Special Services	21,677,260	21,945,902
Out-of-Hours Fees	22,464,250	21,456,540
Fee-Per-Item Services	1,374,424	2,049,650
Dispensing Fees	2,393,349	1,631,024
Registration/Vaccination Fees	4,083,044	5,235,958
Methadone Fees	2,497,034	2,436,251
Other Payments	201,587	182,205
	<u>225,196,133</u>	<u>220,262,850</u>
<b>Allowances</b>		
Leave (Annual/Sick/Study/Maternity)	9,361,006	7,743,661
Rural Practice Allowance	2,966,901	2,731,054
Practice Support	36,895,398	31,722,007
Rostering/Out-of-Hours Payments	6,535,443	6,514,614
Practice Equipment Payment	4,356,914	4,343,029
Locum & Practice Expenses	63,433	64,315
Medical Indemnity Insurance	1,772,892	1,614,281
Practice Support Grant	2,523,658	2,259,098
Drug Target Refunds	18,706,749	18,189,653
IMO Agreement:		
Trainers/Trainees/One in One Rotas	1,457,736	1,225,139
	<u>84,640,130</u>	<u>76,406,851</u>
<b>Salaries</b>		
Salaries and Lump Sums to District Medical Officers	1,852,867	1,775,886
<b>Total Doctors' Fees &amp; Allowances</b>	<u><u>311,689,130</u></u>	<u><u>298,445,587</u></u>

### 5. Payments to Former District Medical Officers/Dependants

The Board made superannuation payments to 266 former District Medical Officers or their dependants. These payments arose from the officer status with Health Boards of the Doctors and their entitlement to hold General Practitioner contracts.

6. Pharmaceutical Services	2003	2002
	€	€
Pharmacists' GMS Claims	676,452,624	552,825,547
DPS/LTI Claims	288,282,181	259,908,339
European Economic Area Claims	1,661,883	1,670,102
High Tech Claims	106,818,906	83,432,337
Other Payments	1,147,623	1,041,431
Methadone Treatment Claims	5,984,049	5,484,703
	<u>1,080,347,266</u>	<u>904,362,459</u>

## Notes to the Financial Statements

### 7. Dental Treatment Services Scheme

	2003	2002
	€	€
Emergency	-	(136)
Routine Dental Treatments	50,069,464	44,773,327
Denture Claims	27,675	1,951,682
Laboratory Claims	-	-
Other Payments	28,980	18,451
	<u>50,126,119</u>	<u>46,743,324</u>

### 8. Community Ophthalmic Services Scheme

Fees	7,675,257	7,674,644
Appliances	7,142,822	6,976,904
	<u>14,818,079</u>	<u>14,651,548</u>

### 9. Leasehold Premises

The Board's office premises are held on a 35 year lease dated 1st December 1974 from Calvinia Ltd. The annual rent is €177,763, effective from 1st December 1999, with 5 year rent reviews. The matter of securing a valuation of the Board's leasehold interest, with a view to its inclusion in the Balance Sheet was examined. In the absence of any quantifiable benefit to the Board the cost of a valuation could not be justified at this time.

### 10. Fixed Assets

	Furniture Fixtures Fittings	Information Technology	Library	Office Equipment	Total
	€	€	€	€	€
Cost at 1.1.03	641,235	5,582,468	2,223	145,481	6,371,407
Additions 2003	17,037	917,911	-	5,679	940,627
	<u>658,272</u>	<u>6,500,379</u>	<u>2,223</u>	<u>151,160</u>	<u>7,312,034</u>
<b>Depreciation</b>					
Accumulated Depreciation at 1.1.03	581,892	3,672,199	1,886	50,724	4,306,701
Depreciation for Year ended 31.12.03	12,904	896,614	114	15,116	924,748
	<u>594,796</u>	<u>4,568,813</u>	<u>2,000</u>	<u>65,840</u>	<u>5,231,449</u>
<b>Net Book Value at 31.12.03</b>	<u>63,476</u>	<u>1,931,566</u>	<u>223</u>	<u>85,320</u>	<u>2,080,585</u>
<b>Net Book Value at 31.12.02</b>	<u>59,343</u>	<u>1,910,269</u>	<u>337</u>	<u>94,757</u>	<u>2,064,706</u>

## Notes to the Financial Statements

### 11. Debtors

	2003	2002
	€	€
Department of Health & Children and Health Boards	208,396,478	163,857,561
Rebates due from Pharmaceutical Manufacturers	6,789,780	5,740,473
Advance Payments to Pharmacists	18,355,725	20,429,208
Sundry Debtors	1,793,707	646,293
	<u>235,335,690</u>	<u>190,673,535</u>

### 12. Stocks on Hand

Dispensing Doctors' Stocks	2,103,550	1,788,465
High Tech Stocks	8,014,825	5,696,664
	<u>10,118,375</u>	<u>7,485,129</u>

### 13. Creditors

Doctors' Fees/Salaries	78,003,729	67,087,414
Pharmacists' Claims	151,539,856	108,746,532
Dental Treatment Services Scheme	6,381,016	3,945,205
Community Ophthalmic Services Scheme	1,376,418	1,046,314
Sundry Creditors	3,695,690	6,189,298
	<u>240,996,709</u>	<u>187,014,763</u>

### 14. Indicative Drug Target Scheme - Cumulative Savings

The following table gives a breakdown of the cumulative savings made and the amounts paid under the Indicative Drug Target Savings Scheme.

Savings Generated	Health Board	General Practitioner	Total
	€	€	
Eastern Regional Boards	5,909,703	35,722,822	41,632,525
Midland	1,236,156	6,116,726	7,352,882
Mid-Western	1,766,945	9,109,819	10,876,764
North Eastern	1,814,982	9,805,917	11,620,899
North Western	2,529,650	15,708,415	18,238,065
South Eastern	3,118,501	14,677,664	17,796,165
Southern	3,099,174	16,575,985	19,675,159
Western	3,497,231	18,897,316	22,394,547
Research & Education Fund	-	-	2,480,074
<b>National Savings</b>	<u>22,972,342</u>	<u>126,614,664</u>	<u>152,067,080</u>

## Notes to the Financial Statements

### 14. Indicative Drug Target Scheme - Cumulative Savings (continued)

The following table gives a breakdown of the cumulative savings made and the amounts paid under the Indicative Drug Target Savings Scheme.

<b>Payments</b>	<b>Health Board</b>	<b>General Practitioner</b>	<b>Total</b>
	€	€	€
Eastern Regional Boards	3,152,959	19,045,705	22,198,664
Midland	1,072,313	3,544,419	4,616,732
Mid-Western	1,564,162	5,645,598	7,209,760
North Eastern	1,401,439	6,525,673	7,927,112
North Western	1,651,436	12,554,446	14,205,882
South Eastern	2,857,301	9,748,282	12,605,583
Southern	2,255,894	11,600,081	13,855,975
Western	2,150,766	11,287,575	13,438,341
Research & Education Fund	-	-	1,724,220
<b>National Savings Distributed</b>	<b>16,106,270</b>	<b>79,951,779</b>	<b>97,782,269</b>
<b>Balance of Savings at 31st December 2003</b>	<b>6,866,072</b>	<b>46,662,885</b>	<b>54,284,811</b>

### 15. Drugs Payment Scheme Refunds

The Drugs Payment Scheme was introduced on an administrative basis on 1st July 1999 but only put on a statutory footing in March 2001. On the basis of legal advice the Government decided that overpayments made by patients in the intervening period should be refunded. The Department of Health & Children directed that, as the body charged with reimbursement of claims under the Scheme on behalf of the Health Boards, the GMS (Payments) Board should issue refunds to all eligible claimants. The process commenced in September 2003.

### 16. Invalid/Ineligible Claims

Following a Government decision in December 2002, the Minister for Health & Children directed that the practice of reimbursing Community Pharmacy Contractors for claims in cases where the eligibility of the patient cannot be verified be discontinued. The Board has taken the necessary steps to implement this decision.

### 17. GMS Medical Cards Disclosure in Respect of Persons Aged 70 years and Over

A national review of the GMS panels in respect of persons aged 70 years and over commenced in April 2002 to determine the level of excess payments to GPs in respect of ineligible patients and duplicate records. Management and Control of the Register has been strengthened and a significant body of work has been completed in relation to this matter. The Department of Health & Children, the Health Boards and the Board are committed to the recovery of any excess payments, taking account of the legal and practical issues involved.



## Notes to the Financial Statements

### 18. Advance Payments To Pharmacies

Following a Government decision in December 2002 the Minister for Health & Children directed that, the practice of issuing an advance payment to Community Pharmacy Contractors entering the GMS Scheme, be discontinued. The practice of making annual adjustments to advance payments held by Community Pharmacy Contractors to take account of increases in ingredient costs in the preceding year is also to be discontinued. The Board implemented this directive in 2003.

### 19. Basis of Preparation

The Board's Financial Statements are presented subject to Audit.

The Financial Statements are prepared on the basis of the payment year January to December with the inclusion of accruals for both income and expenditure.

The statistical data and associated financial values are prepared on the basis of payments made in the 12 months March to February which relates to claims for the calendar year January to December; accruals are not provided.