

## **Midland Health Board**

### **Report of the Comptroller and Auditor General**

*This report has been prepared pursuant to Section 6(4) of the Comptroller and Auditor General (Amendment) Act, 1993.*

#### **1. Out-Patient Charges**

Persons, other than medical card holders, their dependants and other specific categories, who attend accident and emergency departments without having a letter of referral from their general practitioner were liable for a charge, £12 in 1997, for their first visit for any episode of care. Any subsequent treatment during that episode was free of charge. Only the cash received in the year is included as income in the financial statements although full account of all out-patient charges must be kept by the Board. The total recorded as due to the Board in respect of out-patient charges was £143,000 at 31 December 1997. This figure included an estimated amount of £ 24,660 in respect of outpatient charges in Mullingar General Hospital although no invoices had actually been issued in the period July 1996 to December 1997.

In response to my inquiries the CEO stated that invoices were not issued in the period in question because of staff shortages in Mullingar General Hospital. After the matter had been brought to his attention arrangements for the collection of the unbilled charges were put in place. He assured me that out-patient charges were invoiced in a timely way in the Board's other two acute hospitals during 1997.

The Board's 1998 service plan for acute hospital services refers to the fact that the out-patient charge of £20, applicable from 1998, was in line with the prevailing G.P. charge and was intended to encourage the use of primary care services thereby reducing the demands on the hospitals' accident and emergency services. The plan also provides for the Board to take legal action, where necessary, to pursue the collection of these charges.

The CEO also informed me that, since the out-patient charge was increased to £20 in 1998, a debt collection agency had been employed and collection practices have been standardised across the three acute hospitals.

#### **2. Tullamore General Hospital - Orthopaedic Theatre**

The construction of an orthopaedic theatre was completed by the Board in 1995 and the equipping was completed by 1997 at a total cost of £2,453,921. This facility is only used on a temporary basis e.g. when the original theatre is being repaired.

In 1997 an allocation of £875,000 was provided for the commissioning of the theatre. This was to provide for the recruitment of additional nursing, paramedical and auxiliary staff and to meet non-pay costs associated with additional activity. However, due to financial pressures in 1997, £600,000 of this allocation was used, with the approval of the Department of Health and Children, to meet day-to-day running costs. The balance of £275,000 was used for the continued development of orthopaedics and ENT.

In view of the fact that this expensive facility is not being used to any appreciable extent I requested information as to when the theatre is to be brought into full use and the additional costs to be incurred on its commissioning.

In response, the CEO indicated that the Board's acute hospital services rationalisation plan included the provision of a number of regional specialities at Tullamore General Hospital of which the development of the Operating Theatre Suite was the only significant capital investment.

Ideally, the additional operating theatre capacity will be fully exploited when an additional Orthopaedic Surgeon and other members of the team are appointed and trauma services regionalised at Tullamore General Hospital.

Additional funding of £1.05 million for the commissioning of the theatre and the appointment of an additional consultant orthopaedic surgeon have been sought in 1998 from the Department of Health and Children. If this funding becomes available in 1999 the theatre can then be fully commissioned.

### **3. Consolation Nursing Home**

In 1995 the Board purchased the Consolation Nursing Home, Tullamore, from a religious order for £280,000 with a view to establishing a residential care service there for young people with disabilities. The Board took over responsibility for the home on 11 March 1996.

The Board reversed its decision as to the use of the premises and subsequently sold the property, as a nursing home, in September 1997 for £375,000.

During the period of ownership, approximately nineteen months, the Board incurred net running costs on the nursing home in the region of £625,000. This net cost has been calculated after allowing for the outlay which the Board estimates it would have had to incur in subventing the care of eligible residents in private nursing homes.

In response to my inquiries the CEO stated that the religious order, who owned and managed the nursing home, informed him in 1995 that they had decided to withdraw from the service they were providing in Tullamore and offered the premises for sale to the Board.

At the meeting of the Board's Land Purchase Committee in December 1995, the background to the proposed acquisition of the property was outlined. The Committee was advised that it was the Board's and the Order's intention that the future care of the residents of the nursing home and employment obligations to staff would be provided for in arriving at any agreement between the parties. With the acquisition of this property the Board would then be in a position to establish a residential care service for young people with disabilities requiring such a service. The Department of Health and Children had approved an allocation of £280,000 for the acquisition of this property.

The Committee's recommendation to purchase the property was endorsed by the Board at their meeting in December 1995.

However, having purchased the property and before proposals for the transition to the new service for the physically disabled could be developed, totally unfounded claims that it was proposed to transfer some of the residents to Athlone and Mountmellick generated understandable concern among the residents and

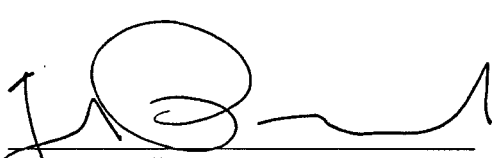
their relatives. Many of the relatives, whose co-operation was necessary in implementing new arrangements, remained suspicious of the bona fides of the Board despite assurances that the residents would not be discommoded and that alternative accommodation would have to be of an appropriate kind acceptable to them. The Board had to abandon its original plan for this property due to public opposition.

The Board considered it necessary to cater for the heavily dependent patients in ways appropriate to their needs and to pay health board wage rates to the staff involved. In order to avoid additional running costs and the uncertainty surrounding the future arrangements for the care of the existing residents the Board had to decide whether to

- secure additional funds to allow the home to function indefinitely as a residential centre for the elderly
- proceed with the proposal contained in the service plan which would involve finding suitable alternative accommodation for the residents of the home and then proceeding with refurbishment arrangements for the new service and establish the new service when the funding arrangements are put in place
- offer the home for sale and put the proceeds towards establishing a facility for young people with disabilities.

The CEO stated that he advised the Board at a special meeting in April 1997 that it should in the first instance, offer the Consolation Nursing Home for sale by public tender. The condition of the sale to include a clause protecting the needs of the existing residents. The staff would be free to take up employment with the new owner. Alternatively, permanent staff would be offered similar employment by the Board.

The Board approved the CEO's recommendation and the property was sold in September 1997 as a nursing home.



John Purcell  
Comptroller and Auditor General

24 November 1998