

North Eastern 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.

Hospital Charges - Our Lady of Lourdes Hospital, Drogheda

On 2 June 1997 the Board purchased a voluntary hospital (Our Lady of Lourdes Hospital - Drogheda). The income generated from patients' charges at this hospital was of the order of £1.8m for the seven months to 31 December 1997. That income represents the actual cash receipts which came to hand in the period.

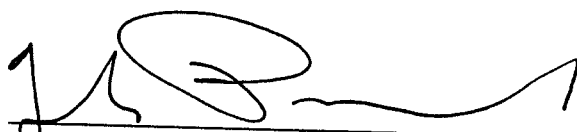
In the course of an examination of the system for billing and collection of charges I noted that the hospital has a direct payments arrangement with the VHI. Before a claim can be processed by the VHI the hospital must submit an invoice together with a claim form which has been signed by both the hospital consultant and the patient. At the end of April 1998 a potential income of £461,216 was due to the hospital in respect of 862 invoices which had not been forwarded to the VHI because of deficiencies in the procedures for ensuring that documentation had been completed by the consultants. £263,097 of the potential income related to periods up to 31 December 1997.

In response to my inquiries the CEO informed me that a review had been carried out on these unsigned VHI claim forms. The total value of unprocessed pre-1998 claims had reduced to £112,000 by November 1998. Approximately £13,000 of this figure will not be collected as the VHI has imposed a cap on the amounts collectable in respect of 1994 and 1995. He stated that revised procedures had been put in place to ensure current claims are processed promptly and to monitor and record the date on which a claim form is given to the consultant and the date it is returned.

My examination also revealed cases where invoices had not been submitted to the VHI for payment by the hospital as a result of claim forms being incomplete or unsigned by the patient. At August 1998 a total of £120,000 was outstanding for this reason. Follow-up procedures were not in place in the hospital for the collection of these amounts.

The CEO assured me that letters have been sent to the patients concerned with a view to making arrangements for the completion of the VHI claim forms. He informed me that procedures were now in place to ensure that patients sign VHI forms prior to discharge from hospital. The total amount uncollected had reduced to £27,000 by November 1998.

He also assured me that the Board had implemented a revised strategy focussed on the improvement of billing and collection procedures in the hospital and that a new computerised billing system which will integrate with the Board's financial systems is planned. This billing system will automatically generate invoices from data held on the patient administration system.



John Purcell
Comptroller and Auditor General

31 December 1998