

**Southern 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. Medical Cards - Kerry Community Care

Eligibility for medical cards is determined by the Chief Executive Officer (CEO) under Section 45 of the Health Act, 1970. An eligible person is defined as "an adult person (or dependant of such a person) who without undue hardship is unable to arrange general practitioner, medical and surgical services for themselves and their dependants".

All medical cards have a review date. At each such date cardholders are issued with forms which they are required to complete and return to the Board in order that their continuing eligibility can be established. Where such forms are not returned within a four-month period, the Board's procedures specify that the card should be listed for cancellation. Until such time as the card is actually cancelled, it continues to entitle the holder to both medical assessment and treatment without charge.¹ In addition, fees to general practitioners are based on the number of current medical card patients.

An audit of the Board's medical card procedures in the Kerry Community Care area was carried out in January 1997. The audit revealed that in 654 cases (111 of which were in respect of 1995) the four-month period had elapsed without the required information being submitted but the related cards had not been cancelled.

In response to my inquiries the CEO informed me that during 1996 the staff member responsible for the cancellation of out of date medical cards was on sick leave for five months. This person was not replaced and other staff in the office dealt with the bulk of the cancellations.

Entitlement to the medical cards in question was reviewed in the two months following the audit and in approximately half of the cases the cards were cancelled.

More than 28,000 medical cards have been issued in respect of the Kerry area and with the exception of the cards in question, all were reviewed in accordance with established

¹ *Cancellation involves notification to the doctor of choice and to the General Medical Services (Payments) Board. It occurs on the lapse of the four month period in all cases except those of old age pensioners, handicapped persons and members of the settled travelling community.*

procedures. Delays in reviewing medical cards did not occur in any other Community Care area.

The CEO also informed me that the Board established a Medical Card Review Group in 1997 to examine all matters relating to the issue of medical cards. This group has now issued a substantial report. The main recommendations of this group were that

- the administrative procedures, when deciding eligibility, should be separated into three functions; the granting process, the refusing process and the review process
- all Community Care areas should adopt a standard approach in relation to administrative procedures in order to achieve equity and consistency throughout the Board
- an adequate system of appeals should be set up immediately
- all eighteen year olds should be automatically deleted from their parents' medical card and have to apply for one in their own right
- students should be given a time limited medical card based on the anticipated period of the course
- RSI numbers be used as a unique patient identifier.

It is expected that the implementation of the recommendations will commence in the near future.

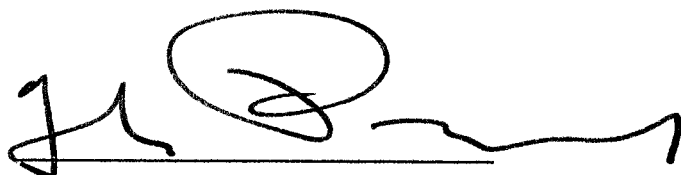
2. Debtors - Cork University Hospital

A total of £2.82m was outstanding on patients' accounts in Cork University Hospital at 31 December 1996. This sum includes pre 1996 debtors to the value of £1.45m. A bad debts provision of £605,000 has been made in the 1996 financial statements in respect of these debtors.

In response to my inquiries the Chief Executive Officer informed me that

- The total amount which had subsequently been received, up to 31 August 1997, in respect of debts outstanding at 31 December 1996 was £989,001.

- The Board's collection procedures had undergone significant improvement in the past twelve months arising from the implementation of a new billing system. Invoices are now issued within days of discharge. Reminders are issued 30 days after date of invoice and final notices are issued a further 30 days after this. Legal letters are issued a further 30 days after the issue of the final reminder.
- In March 1997 an arrangement was made on a pilot basis with a debt collection agency to pursue outstanding debtors and the final results on this will be available to the Board shortly for evaluation.
- The Board has been involved, in the past six months, in a joint project with the Voluntary Health Insurance Board (VHI) on the implementation of Electronic Data Interchange. The system is fully operational since October 1997. This initiative will lead to a significant improvement in the processing of claims with the VHI and will have considerable benefits with regard to the handling of the administrative workload. In addition a credit card payment system has been introduced and patients are now being actively encouraged to settle their accounts where possible on discharge.
- Debts which remain outstanding following the exhaustion of debt collection procedures are reviewed on a systematic basis and decisions are taken as to whether the debt should be written off in full or in part or referred for civil process. There can be a substantial volume of small accounts due to the nature of the charge structure in place. In these instances it is uneconomic to take the collection procedures any further and certainly it would not be economical to pursue these through the courts.
- The bad debts provision, which ranges between 20% and 25% of gross book debts, is adequate in view of the debt collection procedures in place.



John Purcell
Comptroller and Auditor General
4 December 1997