



HSE Board Briefing Template

Subject: Briefing Note Danske Direct Debit Indemnity.

Submitted for Board meeting on: **30th June 2023**

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Why is this information being brought to the Boards attention?

HSE National Financial Regulations require that HSE Board approval is obtained for any contractual commitments exceeding €10m.

This paper was brought to and recommended by the Audit and Risk Committee for Board approval at their meeting on 16 June. This paper has been updated to following its review at ARC.

Is there an action by the Board required? If so, please provide detail:

The purpose of this paper is to seek the support of the Board for a decision on the recommendation from the Finance Reform Programme to propose the use of Direct Debit payment functionality for Danske Bank for receipting of customer payments.

Please indicate which of the **objectives** this relates to ;

- The development and implementing of an effective Corporate Governance Framework, incorporating clinical governance and a performance management and accountability system;
- Developing a plan for building public trust and confidence in the HSE and the wider health service;
- Ensuring the HSE's full support for and implementation of the Government's programme of health reform as set out in the Sláintecare Implementation Strategy;
- Exercising effective budgetary management, including improving the value achieved with existing resources and securing target saving, with the objective of delivering the National Service Plan within Budget.

Brief summary of link to objectives.

Current Receipting Process

The current receipting process for long-stay patients is to receive payments via a range of options, including cash, cheque, card and regular fixed amount standing order payments. As monthly long-stay patient bill amounts vary, collection by fixed amount standing order leaves residual balances to be cleared, which incurs an administration overhead. During process review as part of the IFMS project, an opportunity was identified to eliminate the scope for these residual unpaid balances, along with the associated overhead, via the implementation of new direct debit functionality whereby varying amounts matching the outstanding balance could be collected from long-stay patients via Direct Debit.

Priorities and Actions

- Deliver optimum receipting functionality for long-stay patients.
- Eliminate administration overhead of dealing with residual patient balances caused by fixed amount standing orders not matching variable monthly charges.
- Implement Direct Debit functionality to replace current Standing Order functionality via Danske Bank integration to optimise receipting process for long-stay patients

Key Messages

- The indemnity is required for the duration of the Danske banking agreement which is 5 years starting from May 2022, with the option to extend it for 12 months.
- The indemnity will be determined by the level of direct debits the HSE generate.
- The implementation of integrated Direct Debit functionality between IFMS and Danske Bank will optimise the receipting process for long-term stay patients, preventing over/under payments due to variable monthly charges not matching with fixed standing order payments.
- This is part of process improvement across all finance functions, eliminating current administrative overhead by optimising processes via new functionality offered by IFMS.
- Consent to set up direct debits will be in line with all current legal requirements and in line with current practice.

Conclusion

Approval of the Direct Debit Mandate via the governance process will enable the HSE to implement a process to obtain exact payment for variable monthly charges via Direct Debit from long-term stay patients via Danske Bank Direct Debit deductions, replacing the current standing order process with new Direct Debit functionality.

Recommendation

The recommendation is the authorisation of Direct Debit mandate to enable automated deduction of exact amounts from long-term stay patients for variable monthly charges, replacing the current fixed payment standing order process.