



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Oifig an Phríomhoifigigh Airgeadais
Feidhmeannacht na
Seirbhíse Sláinte
Seomra 125, Ospidéal
Dr. Steevens
BÁC 8

Office of the Chief Financial Officer
Health Service Executive
Room 125, Dr Steevens
Hospital
Dublin 8

6th October 2020

Deputy Richard Boyd Barrett TD,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

Re PQ 24761 20: To ask the Minister for Health the estimated full-year cost of adding 1,000 acute beds to the hospital network - Richard Boyd Barrett.

Dear Deputy Boyd Barrett,

The Health Service Executive has been requested to reply directly to you in the context of the above Parliamentary Question, which you submitted to the Minister for Health for response. Your PQ above has been referred to me for response.

The average daily running cost of an in-patient hospital bed across acute hospitals can be calculated from the HSE annual pricing cycle as performed by the HSE Healthcare Pricing Office (HPO). This is €897 per day and represents the in-patient cost of a hospital bed including costs associated with:

- Clinical staffing
- Theatres
- Laboratories
- Non-clinical staffing
- Cleaning, maintenance and other running costs

The €897 is a 'fully-absorbed' cost which means it includes all treatment and care costs (such as diagnostics, theatres etc.) as well as running costs such as heating and lighting, servicing equipment etc. but excludes capital and depreciation. It does not include other associated hospital costs such as day case, outpatient and emergency department costs. The cost is calculated from costings submitted by hospitals under the Activity Based Funding programme and is based on 2018 data, the latest year for which information is available. This cost is a national average across all nights, all hospitals and all types of inpatient cases from the most routine to the most complex.

The table below shows the estimated daily and annual running costs per acute in-patient hospital bed.

Table 1

Estimated average Running costs of in-patient hospital beds	€
Daily cost per bed	€897
Annual cost per bed	€327,629
Annual cost per 1,000 beds	€327,629,250
<i>Source: Healthcare Pricing Office Note: Based on 2018 data</i>	

Please note however that critical care bed costs are considerably higher, with Intensive Care Unit beds having a higher cost than High Dependency Unit beds. The estimated average annual running cost across each critical care bed type has been estimated by the HPO, also based on 2018 data, to be €747k per annum.

The average capital costs for a new build have been estimated through a recent exercise carried out by HSE Estates as €450k to €550k per bed. This estimate includes for design, construction, equipping, and all other capital costs associated with the project. This estimate excludes any significant enabling works e.g. decant costs as well as other accommodation that may be required to support this additional capacity e.g. diagnostics, theatre space etc.

The capital cost for new build fully compliant critical care beds is estimated by HSE Estates to be in the range of €1.1m to €1.5m per bed. This estimate also includes for design, construction, equipping, and all other capital costs associated with the project. The wide range of costs is explained by the fact that, typically, the development will be in the core of the existing hospital and will require significant enabling/decant works etc. e.g. Tallaght where the proposed development is on the roof of the existing hospital. This estimate excludes other accommodation that may be required to support this additional capacity e.g. diagnostics, theatre space etc.

Please note that some inputs are based on estimated project costs and not outturn costs.

Capital costs are naturally subject to variations with some sites requiring more investment depending on location, project scale, complexity of the site, existing infrastructure, site conditions, design etc.

If you have any queries, please do not hesitate to contact me at sarah.anderson1@hse.ie or tel: 087 9423319.

Yours sincerely



Sarah Anderson
General Manager Corporate Finance
National Finance Division, HSE
Email: sarah.anderson1@hse.ie
Tel: 087 9423319