



Deputy Róisín Shortall,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

08/03/2021

RE PQ 10780/21

Question

To ask the Minister for Health if there was political involvement in the decision to purchase ventilators from a company (details supplied); if he signed off on the deal at the time; and the due diligence carried out on the company in question prior to awarding a contract. -Róisín Shortall

Response

Deputy Shortall,

The Health Service Executive (HSE) 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.

There was no political involvement in the decision to purchase ventilators from ROQU.

At the time of the crisis unfolding, ROQU was one of many suppliers who made approaches to HSE with availability of critical medical supplies.

The onset of the COVID-19 pandemic fuelled by widespread uncertainty created global competition and mass buying of ventilators.

As COVID-19 spread, the extent of its transmission, morbidity and mortality was unknown. Governments worldwide were forced to act quickly and decisively to secure critical supplies; by mobilising their Pandemic Preparedness Plans for a 'worst case' scenario based on widely varying predictive models available at the time.

Some of the challenges faced in sourcing ventilators included

- **Unprecedented volatility** - demand for ventilators grew out of all proportion. It is estimated that within the EU demand increased in excess by over 175%. Most European countries were required to more than double their ventilator stock in order to cope with the pandemic
- **Catch Up**: Ireland's ICU units run at near 90-100% occupancy during 'normal times' due to our relatively low number of ICU beds. Before the onset of COVID-19, Ireland had 6.5 ICU beds per 100,000 population. This is approximately half the European average of 11.5, and a fifth of Germany's 30. Ireland's limited state-run ICU bed capacity and associated mechanical ventilators, meant that we were ill-equipped to deal with the pandemic on day one. The low base meant that we first had to close the gap on any shortages, before meeting the surge in new demand brought on by the pandemic. Approximately half of the ventilators purchased went into closing this gap in reaching the EU average.

- **Uncertainty** – little or no robust epidemiological data was available to conduct robust and detailed demand planning exercises.
- **Export Bans & Restrictions**: Many governments initially banned export of any domestically manufactured medical equipment. This action was later reversed in the spirit of the European Union.
- **Pricing**
 - All global healthcare systems have been price takers in the context of ventilators
 - As the COVID-19 pandemic intensified over the month of April, countries and authorities began bidding against each other for medical supplies, resulting in vastly over inflated prices
 - Despite manufacturers' good-will promises to maintain pre-COVID price points, lengthy supply chains and distributor based sales meant that purchase prices still increased significantly.
 - Gouging –which included creation of secondary markets where ownership deeds change hands numerous times before they reach the end buyer – often a hospital system or local government at a hugely inflated price
- **Traditional Sourcing Channels**: Despite mobilising as quickly as possible, the world's largest ventilator manufacturers were unable to meet the unprecedented demand for ventilators. Supply constraints included:
 - Complexity of the devices at manufacturing stage
 - Availability of specialist parts
 - Rigorous quality control and regulatory processes

The transaction concluded with ROQU is now the subject of ongoing discussions between HSE, its legal advisors and ROQU.

I trust this information is of assistance to you, but should you have any further queries please do not hesitate to contact the Office of the Head of Procurement on (01) 635 2688 or via ohop@hse.ie.

Yours sincerely,



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