



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

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Deputy Mark Ward,
Dail Eireann,
Dublin 2.

12th November 2021

PQ Number: 52725/21

PQ Question: To ask the Minister for Health if he will provide a report on the €53 million debt that was cleared in mental health in 2021 in which this debt occurred; the way it was cleared; and if he will make a statement on the matter - Mark Ward

Dear Deputy Ward,

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. I have examined the matter and the following outlines the position.

The Mental Health core deficit of €53m arose due to a number of unfunded costs which arose over a period of a number of six years from 2014 to 2020. The main areas driving this unfunded cost growth are outlined below. The funding of this deficit was addressed through a combination of Existing Levels of Service (ELS) funding received €27.7m and a reclassification of available historic development funding of €24m. ELS relates to the increased yearly cost of delivering the same level of service- mostly related to Medical and general inflation. A residual savings adjustment of €1.3m funds the overall deficit of €53m.

Agency & Overtime

Mental Health continues to experience gaps in staffing which are sometimes filled through agency and overtime mainly Medical, Nursing and General Support staff. The Agency and overtime costs experienced in Mental Health relate to the requirement to fulfil rostered staffing levels in Mental Health in-patient units. The Regulatory requirements and best practice standards mean that this staffing is essential.

Agency and Overtime costs are also incurred to fill essential medical posts through locum/agency arrangements which Mental Health are unable to appoint on a permanent basis due to the international labour market. Even with efforts towards permanent appointments it is apparent that there are a cohort of staff who wish to work through agencies where they can choose when and where they work.

Complex Cases

Expenditure on high cost placements are growing year on year and is contributing to a significant element of overall Mental Health expenditure. These placements are for patients whose needs cannot currently be met within the existing statutory services necessitating placements with voluntary or private providers in Ireland or areas of specialist expertise in the UK. These placements are often necessary for those with

multi-axial disorders, severe eating disorders and children for whom the High Court determines their placement.

Drugs & Medicines

There is growth in Drugs costs across Mental Health services over the last number of years as clinicians move towards prescribing more expensive (but longer acting) injectable drugs as opposed to the previously utilised oral versions of drugs.

Rents/Leases

Costs have increased over the last number of years mainly due to new funded community teams etc.

Non pay inflation

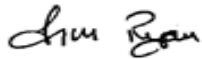
General cost growth across non pay headings such as electricity, gas, security etc.

Reduced Income from Residential Centre's (RSSMAC)

As Units appropriately close for improved model of care, the level of income from residential inpatients reduces accordingly which in effect leads to reduced income levels in Mental Health services

I trust this information is of assistance to you. Please do not hesitate to contact me if you have any further queries.

Yours sincerely,



Jim Ryan
Assistant National Director - Head of Operations
National Mental Health Service

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