



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

12<sup>th</sup> October 2021

Deputy Gino Kenny TD,  
Dáil Éireann,  
Leinster House,  
Kildare Street,  
Dublin 2.

**Re PQ 46122 21:** *To ask the Minister for Health the estimated full year cost in 2022 of adding 1,000 beds to the acute hospital network.*

Dear Deputy Kenny,

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 €938 per day (being the latest figure available and is based on 2019 data), 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 €938 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 2019 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 show the estimated daily and annual running costs for the requested bed numbers.

**Table 1**

<b>Estimated average Running costs of in-patient hospital beds</b>	<b>€</b>
Daily cost per bed	€938
Annual cost per bed	€342,605
Annual cost per 1000 beds	€342,604,500
<i>Source: Healthcare Pricing Office Note: Based on 2019 data</i>	

The average capital costs for new build have been estimated through an exercise carried out in 2020 by HSE Estates as follows: €450,000 to €550,000/bed or €450m to €550m for 1000 beds. 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. Please note that some inputs are based on estimated project costs and not out turn costs. As with all Capital infrastructure projects the range of costs noted above are very much dependent on site specific issues and the associated site infrastructure required to support the particular project requirements. Factors such as location, project scale, complexity of the site, existing infrastructure, site conditions, statutory obligations and design etc. contribute to the overall Capital cost of a project.

As noted above the Capital costs range is based on an exercise carried out in 2020 by HSE Estates.

As a consequence of recent events such as the global Covid-19 pandemic and the impact that Brexit is having on the supply chain, the level of construction inflation is continuing to evolve over the course of 2021. While full year predictions for construction inflation are not yet determined it is likely that construction inflation for the full year 2021 will be in the order of 5%.

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

Yours sincerely



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