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13/06/2024

Deputy David Cullinane Dáil Éireann, Leinster House, Dublin 2.

PQ 31464/25: To ask the Minister for Health the steps the CEO of the HSE has taken to manage conflicts of interest in relation to the insourcing of care at public hospitals; and if she will make a statement on the matter.

Dear Deputy Cullinane,

The Health Service Executive (HSE) has been requested to reply directly to you in the context of the above Parliamentary Question, which was submitted to the Minister for Health for response. I have examined the matter and the following response outlines the current position.

Insourcing supports the HSE to provide swifter access to treatment for patients on waiting lists. The NTPF pays treating hospitals directly for agreed insourcing initiatives aiming to reduce waiting lists. Several weeks ago, a nationwide survey and review of insourcing commenced, and the CEO has taken certain precautionary steps in the interim to further reduce the risks of conflicts of interest and other concerns that might arise.

Pending the survey results, the CEO has directed that insourcing where existing staff are hired/ engaged/ paid by an entity to work on initiatives in their own place or type of work should be paused (subject to contractual notice periods where relevant.) A panel is in place to consider case by case exemptions to this directive, subject to service need and imperative. This remains a work in progress.

Analysis of the results of the nationwide survey will inform further measures to reduce conflicts of interest.

Please see attached the memo issued by the CEO directing the pause on insourcing via a third party using HSE staff.

Yours sincerely,



MEMORANDUM

To:SLTCC:Sheila McGuinnessFrom:Bernard Gloster, Chief Executive OfficerDate:April 22 2025Subject:InsourcingCEO Ref:13887 v2

Dear Colleagues

I refer to the ongoing work in respect of various waiting list and access initiatives including in acute, community and disability services (initiatives).

In several cases we are aware of some contracted services for insourcing¹ and also the potential for some non-contracted insourcing.

An internal audit report published in 2024 and circulated by me demonstrated some of the challenges, requirements and recommendations for managers in such activity.

Having considered the matters further and at the request of the Minister we are now undertaking a detailed survey, where I am assisted by Finance, Internal Audit, HR and Access/Integration Directorates. You will shortly receive details on this. It is necessary to establish our dependency on this practice and also to ensure that there are no unintended consequences at several levels.

It is important to remember that insourcing and this Directive is applicable to all parts of the organisation and all sites hospital, community and corporate.

Pending the completion of the survey, to ensure that any further unplanned growth or concerns regarding the use of insourcing are mitigated, I am giving the following directions.

1. Insourcing where the HSE directly manages and engages its own staff through payroll (flat rate/ overtime) <u>can continue</u> until the survey is completed².

 $^{^{1}}$ Insourcing, typically related to initiatives carried out on the HSE / s.38 own premises utilising HSE / s.38 own equipment and consumables.

 $^{^{2}}$ The provisions of HR Memo 059/2023 in relation to pension abatement must be implemented in the event of rehiring retired staff.



 Insourcing where existing staff are hired/engaged/paid by an entity to work on initiatives in their own place or type of work <u>should be paused</u>³. The default position for now should be 1 above.

Exemption

REOs can consider exemptions to this directive on a case by case basis pending the conclusion of the survey. These exemption requests will be reviewed with the REO by a panel appointed by the CEO with clear parameters.

The panel members are;

Brian Murphy Head of Corporate Affairs OCEO (recipient and convenor) Stephen Mulvany CFO Grace Rothwell National Director Access & Integration Anne Marie Hoey CPO

I expect applications for exemption to be the exception rather than the rule and this directive will be revisited depending on the types of requests made.

The purpose of this work is to take us beyond the dependency on insourcing/outsourcing in favour of our planned stabilised rosters by June (Consultants and Staff) and also the use of more cost-effective measures to optimise the use of available staff, equipment and accommodation across the week.

Yours sincerely

Bernard Gloster Chief Executive Officer

³ Notice periods may apply where a compliant contract is in place with the provider and these are to be issued immediately.