To: Accounting Officers

Circular 03/2015:

Minute of the Minister for Public Expenditure and Reform in response to the Committee of Public Accounts Report on the Review of Medical Card Eligibility

1. A Dhuine Usail,

    I am directed by the Minister for Public Expenditure and Reform to enclose, for your information and guidance, a copy of the Minute of the Minister for Public Expenditure and Reform in response to the Committee of Public Accounts Report on the Review of Medical Card Eligibility.

2. Issues raised

    The Minute addresses a number of issues, including:
    a. Risk profiling and compliance controls;
    b. Systems Management and Administration;
    c. Cost Controls;
    d. Customer Service at Primary Care Re-Imbursement Service (PCRS).

3. Enquiries

    Enquiries in regard to this circular can be addressed to Government Accounting Unit, Department of Public Expenditure and Reform, telephone: +353 1 6767571, LoCall: 1890 661010 or email: govacc@per.gov.ie.

Mise le meas,

Robert Watt
Secretary General
Minute of the Minister for Public Expenditure and Reform in response to the Committee of Public Accounts Report on the Review of Medical Card Eligibility

The Minister for Public Expenditure and Reform has examined the Committee's Report and has taken account of its conclusions. In relation to the Committee's recommendations, his response is as follows:

Recommendation 1

A comprehensive Risk Profiling system should be developed at the Primary Care Re-Imbursement Service (PCRS) as a matter of top priority. Information on earnings from the Revenue and from the Department of Social Protection should enable the HSE to build up a profile the data base of card holders.

The Minister for Public Expenditure and Reform is informed by the Department of Health that it and the Health Service Executive (HSE) accept this recommendation, while noting that the HSE indicates that reviews of medical cards are already undertaken on the basis of a full risk assessment.

This risk assessment includes data from the Revenue Commissioners as well as other relevant metrics. While reviews are conducted on a rolling basis, the nature of the review in each case is informed by a number of indicators and the majority of general reviews involve self-assessment by the card-holder. It should be noted that the system of assessment of persons' means for the purposes of medical card eligibility takes into account a range of outgoings as well as people's income and social welfare status. Therefore, while data from the Revenue Commissioners and the Department of Social Protection can assist the HSE in profiling the medical card-holding population, in many cases this would not of itself enable the HSE to determine whether eligibility for a medical card should be granted or maintained.
Recommendation 2

Those medical card holders who have a high risk profile should be priorities for review purposes.

The Minister for Public Expenditure and Reform is informed by the Department of Health that it and the HSE accept this recommendation as, the Minister is further informed, the HSE has put the systems in place to prioritise reviews of card holders according to risk profiling, following the enactment of the Health (Alteration of Criteria for Eligibility) Act 2013, which allowed for data sharing between State agencies.

This is evident in the identification of a distinct cohort of medical card holders whose eligibility was potentially impacted by Budget decisions on income limit thresholds. The income limits for persons aged 70 years and older were reduced under Budgets 2013 and 2014. Rather than assessing the full population of 376,000 persons in this cohort, the HSE, using the risk assessment model, only reviewed 63,000 medical card holders (17% of the total cohort) identified by Revenue as being potentially in excess of the new income limits. The key roadblock to earlier implementation of risk profiling was the lack of a legal basis for the exchange of data with relevant Government Departments.

The Minister is further informed that the C& AG noted, in his Annual Report 2012, that the HSE was moving to a risk-based approach (Ref Section 22.50).

Recommendation 3

The HSE should examine ways of extending medical cards automatically for the 80% plus cohort of card holders, whose eligibility is in little doubt, having regard to their low risk profile.

The Minister for Public Expenditure and Reform is informed by the Department of Health that it and the HSE accept this recommendation as, the Minister is further informed, a focussed assessment based on risk should ensure that the vast majority of card holders are not subjected to a full in-depth assessment and that this is the approach already being implemented.
Since the centralisation of medical card processing in mid-2011, the HSE has reviewed/assessed more than 2 million applicants for medical cards. Of these assessments/reviews, the majority have been conducted on the basis of self-assessment or an automatic confirmation of eligibility (based on risk assessment using Revenue data or other relevant metrics) with no additional communication to/or required from the applicant.

**Recommendation 4**

The HSE should review its control procedures so as to devote the majority of its available resources to the initial award process and to the focused reviews.

The Minister for Public Expenditure and Reform is informed by the Department of Health that it and the HSE accept this recommendation.

The Minister is further informed that the HSE’s reviews of medical cards are already undertaken on the basis of a full risk assessment.

**Recommendation 5**

The HSE should conduct an exercise in the case of persons with a long term medical condition or disability which would compare the costs of granting those persons a medical card as against reimbursing their costs under the long term illness scheme.

The Minister for Public Expenditure and Reform is informed by the Department of Health that it and the HSE reject this recommendation as, the Minister is further informed, the eligibility criteria for the LTI Scheme differ from those for a medical card.

A medical card confers eligibility for a wider range of services, e.g. GP care without charge, for which the doctor receives a capitation fee regardless of usage of this service. While the costs arising in each case will therefore be different, in any particular case the award of a medical card will cost the Exchequer more than the granting of an LTI card. Arising from the recent reviews of the medical card system, the HSE intends to ensure that where an applicant is deemed not be eligible for the particular benefit for which he or she has applied, the Executive will engage with the applicant to assist in establishing whether there are other benefits or supports for which the person may be eligible.
**Recommendation 6**

The HSE should conduct random audit of its medical card base which will give an indication of the extent to which excess payments are in the system and it will also over time allow the HSE to assess the effectiveness of its own control measures.

The Minister for Public Expenditure and Reform is informed by the Department of Health that it and the HSE accept this recommendation as, the Minister is further informed, the HSE undertakes reviews, including random reviews, of its medical card database with the objective of minimising excess payments. Audits of effectiveness will now be incorporated into the review cycle.

**Recommendation 7**

Given the evident anxiety of the medical card holding population arising from the review process, the HSE should review its communication strategy and engage in a public awareness campaign to coincide with any future reviews.

The Minister for Public Expenditure and Reform is informed by the Department of Health that it and the HSE accept this recommendation as, the Minister is further informed, the HSE is working to substantially improve its communications processes in relation to the medical card scheme, to assist in improving the public’s understanding of the scheme itself and the application and review processes.

**Recommendation 8**

The HSE needs to review its customer care practices at the PCRS so that complex cases are dealt with by a specific team where the card holder can deal with one official who will become the case manager.

The Minister for Public Expenditure and Reform is informed by the Department of Health that it and the HSE accept this recommendation as, the Minister is further informed, the HSE is making significant changes to the governance and organisational structure of the medical card administration function to increase the focus on customer service in the entire assessment process.
In this regard, the HSE has recently appointed a senior manager (at Assistant National Director level) with responsibility for eligibility for primary and community services and a detailed implementation plan for a range of targeted administrative and procedural improvements is near completion.

Given under the Official Seal of the Minister for Public Expenditure and Reform on this the day of 4 March, 2015

L.S.

Robert Watt
Secretary General
Department of Public Expenditure and Reform