



General Medical Services (Payments) Board



Report for the year ended 31st December 2002



General Medical Services (Payments) Board
An Bord Seirbhísí Liachta Ginearálta (Iocaíochtaí)



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**Report for the
year ended
31st December
2002**



General Medical Services (*Payments*) Board
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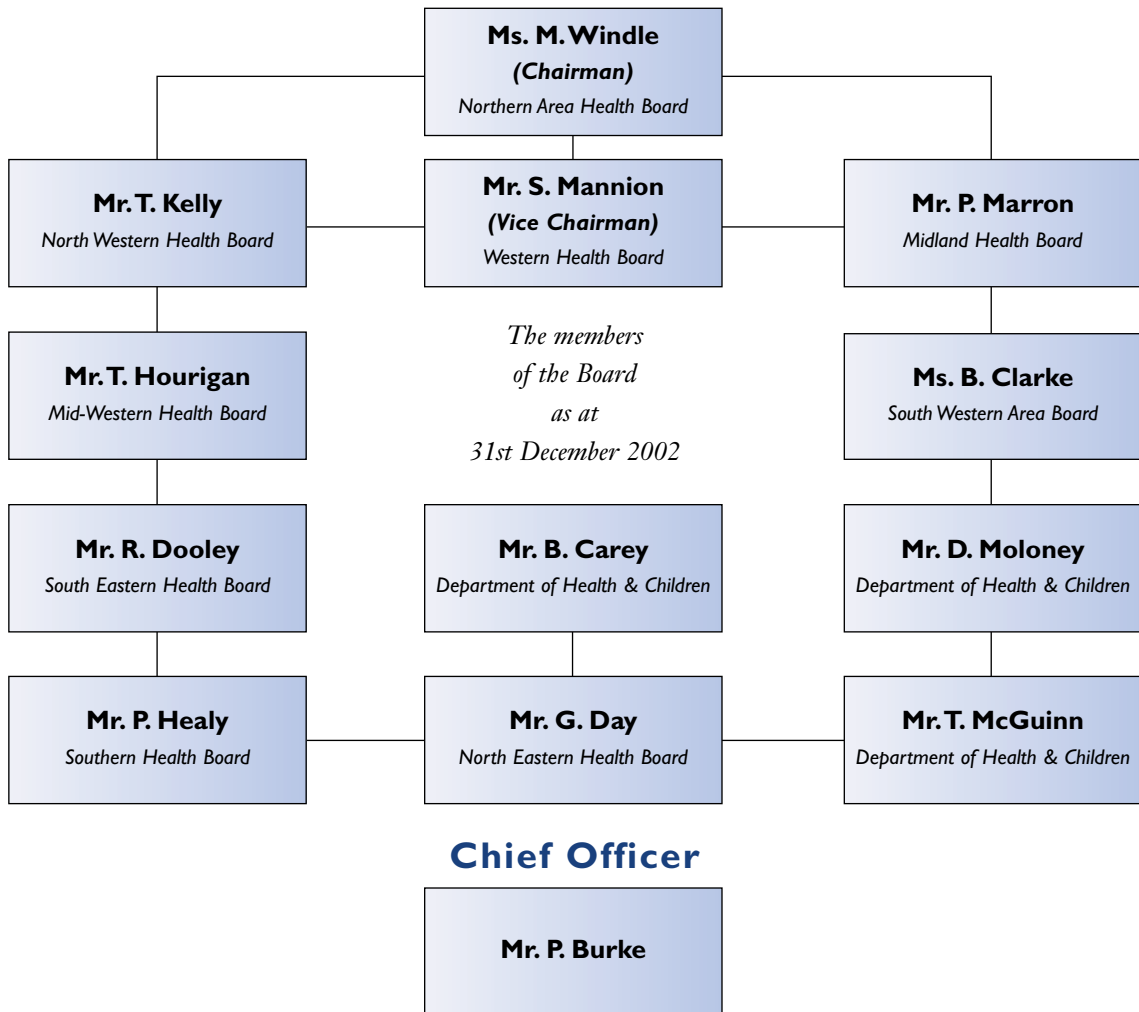
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The Board



Ms. Maureen Windle (Chief Executive Officer, Northern Area Health Board) was elected Chairman of the Board, in December 2002, succeeding Mr. Donal O Shea, who retired from the Board in November. Also in December Mr. Seamus Mannion (Regional Manager, Western Health Board) was elected Vice Chairman of the Board succeeding Mr. Tom O' Dwyer who had retired from the Board in 2002. Mr. Patrick Burke replaced Mr. Tom Flood, who retired as Chief Officer of the Board in May 2002.

Mr. Bernard Carey (Department of Health & Children) was elected to membership of the Board in May 2002. Mr. Richard Dooley (South Eastern Health Board) and Mr. Pat Healy (Southern Health Board) were designated by their respective Chief Executive Officers to be members of the Board in November 2002. These three members replaced Mr. Eamon Corcoran, Mr. Dermot Halpin and Mr. Tom O' Dwyer.

Mr. Kevin McCarthy (East Coast Area Health Board) and Mr. Donal O Shea (Eastern Regional Health Authority) resigned in September and November respectively and at year-end no new members had been appointed.

The Board extends a warm welcome to its new members and records its thanks and appreciation to those former members who, in the course of the year resigned their membership.



Ms. M. Windle



Mr. P. Burke



Mr. S. Mannion



Mr. T. Kelly



Mr. T. Hourigan



Mr. R. Dooley



Mr. P. Healy



Mr. P. Marron



Mr. G. Day



Ms. B. Clarke



Mr. D. Moloney



Mr. B. Carey



Mr. T. McGuinn

Constitution of the Board

The General Medical Services (Payments) Board is a body corporate with perpetual succession and a common seal constituted by Order of the Minister for Health under Section 11 of the Health Act, 1970.

The Board consists of fourteen members comprising:

- (a) (i) one officer of each Health Board designated by the Chief Executive Officer of the Health Board and
- (ii) one officer of each Area Health Board established by Section 14 of the Eastern Regional Health Authority Act, 1999, designated by the Area Chief Executive of the Area Health Board and
- (b) three other persons appointed by the members referred to in (a) (i) and (ii).

Functions of the Board

It is the duty of the Board to perform on behalf of the Health Boards the following functions in relation to the provision of services by General Practitioners, Pharmacists, Dentists and Optometrists/Ophthalmologists under Sections 58, 59 and 67 (i) of the Health Act 1970:

- (a) the calculation of payments to be made for such services;
- (b) the making of such payments;
- (c) the verification of the accuracy and reasonableness of claims in relation to such services;
- (d) the compilation of statistics and other information in relation to such services.

Community Based Services – Payment Arrangements

Almost all payments for services provided in the community by General Practitioners, Community Pharmacies, Dentists and Optometrists/Ophthalmologists are made by the Board. Payments in the Year 2002 were in excess of €1,270m. Estimated payments by the Board for 2003 are €1,460m.

Claim data is processed and payments are made by the Board under the following Schemes/Payment Arrangements:

General Medical Services (GMS)

Persons who are unable without undue hardship to arrange general practitioner medical and surgical services for themselves and their dependants and all persons aged 70 years and over receive a free general medical service.

Drugs, medicines and appliances supplied under the Scheme are provided through retail pharmacies. In most cases the Doctor gives a completed prescription form to a person, who takes it to any pharmacy that has an agreement with a Health Board to dispense GMS prescription forms. In rural areas the Doctor may dispense for those persons who opt to have their medicines dispensed by him/her. All GMS claims are processed and paid by the Board.

Drugs Payment Scheme (DPS)

Under the Drugs Payment Scheme persons who are ordinarily resident in the State and who do not have a current medical card can benefit - an individual or family has now to pay no more than €65 in a calendar month for approved drugs, medicines and appliances for themselves or their families. In order to benefit under this Scheme a person must register themselves and their dependants with their local Health Board. Items currently reimbursable under the Drugs Payment

Scheme are those listed in the GMS Code Book. Other items which were reimbursable under the DCS and Refund of Drugs Schemes continue, in certain circumstances, to be reimbursable under the Drugs Payment Scheme. DPS claims are processed and paid by the Board.

Long Term Illness Scheme (LTI)

On approval by Health Boards persons who suffer from one or more of a schedule of illnesses are entitled to obtain, without charge, irrespective of income, necessary drugs/medicines and/or appliances under the LTI Scheme. All LTI claims are processed and paid by the Board.

Dental Treatment Services Scheme (DTSS)

Under the Dental Treatment Services Scheme GMS eligible adults have access to a range of treatments and clinical procedures comprised of Routine Treatments and Full Upper and Lower Dentures. Routine Treatments are now available for all eligible persons. Dentists may also prescribe a range of medicines to eligible persons. All claims under the DTSS are processed and paid by the Board.

European Economic Area (EEA)

Residents from one of the other states of the European Economic Area, with established eligibility, who require emergency general practitioner services while on a temporary visit to the State are entitled to receive from a General Practitioner a GMS prescription form for necessary medication and to have such medication dispensed in a Pharmacy that has entered into an agreement with a Health Board within the State. Students, posted workers and their dependants are entitled to full services on presentation of a valid Form E128. EEA claims are paid by the Board.

High Tech Drugs (HTD)

Arrangements are in place for the supply and dispensing of High Tech medicines through Community Pharmacies. Such medicines are generally only prescribed or initiated in hospital and would include items such as anti-rejection drugs for transplant patients or medicines used in conjunction with chemotherapy or growth hormones. The medicines are purchased by the Health Boards and supplied through Community Pharmacies for which Pharmacists are paid a patient care fee: the cost of the medicines and patient care fees are paid by the Board.

Primary Childhood Immunisation Scheme

A National Primary Childhood Immunisation Scheme provides for immunisation of the total child population with the aim of eliminating, as far as possible, such conditions as Diphtheria, Polio, Measles, Mumps, Rubella and more recently Meningococcal C Meningitis. Payments under this Scheme to Doctors in the Midland, Mid-Western, Southern and Western Health Boards are made by the Board.

Health (Amendment) Act 1996

Under the Health (Amendment) Act 1996 certain health services are made available without charge to persons who have contracted Hepatitis C directly or indirectly from the use of Human Immunoglobulin - Anti D or the receipt within the State of another blood product or blood transfusion. General Practitioner services, pharmaceutical services, dental services and optometric/ophthalmic services provided under the Act are paid for by the Board.

Methadone Treatment Scheme

Methadone is prescribed and dispensed by Doctors and Pharmacists for approved clients under the Methadone Treatment Scheme - capitation fees payable to participating Doctors and Community Pharmacists and claims by pharmacies for the ingredient cost of the Methadone dispensed and the associated dispensing fees are processed and paid by the Board.

Health Board Community Ophthalmic Services Scheme (HBCOSS)

Under the Health Board Community Ophthalmic Services Scheme, adult medical card holders and their dependants are entitled, free of charge, to eye examinations and necessary spectacles/appliances. Claims by Optometrists/Ophthalmologists are paid by the Board. Claims for spectacles provided under the Children's Scheme are also paid by the Board.

Immunisations for certain GMS Eligible Persons

Agreement was reached between the Department of Health & Children and the Irish Medical Organisation on fee rates to be applied to certain immunisations for GMS eligible persons. The immunisations encompassed by the agreement are: Pneumococcal, Influenza, Hepatitis B and the combined Pneumococcal/Influenza. The Board facilitated claiming for any of these immunisations by extending the range of codes for 'Special Items of Service'.

Chairman's Statement



Ms. M. Windle (Chairman)

As I commence my tenure as Chairman of the General Medical Services (Payments) Board it is my pleasure to join with the members of the Board to present the Annual Report for the year 2002, the Board's 29th Annual Report.

I would like to take this opportunity to record our appreciation for the work, stewardship and endeavours of our outgoing Chairman, Mr. Donal O Shea. With the exception of a brief period (1988/89) Donal was Chairman of the Board from 1980 until his retirement in November 2002. I join with my fellow Board members in saluting the way in which he has given leadership to the Board in dealing with complex issues that have presented in the delivery of health services over the years.

The commitment and dedication of Mr. Tom Flood the former Chief Officer of the General Medical Services (Payments) Board, who retired from the Board's service in May 2002, after 30 years service, is sincerely appreciated and acknowledged by the Board. Tom was responsible for executing and contributed to formulation of the Board's policies. He can be credited with building the infrastructure foundations from which the Board's operations are now delivered. Tom can also be credited with the recruitment, training and retention of a highly skilled and dedicated staff that continue to serve the Board diligently.

The Board confirmed my appointment as Chairman at its meeting in December 2002 and I would like to express my appreciation to all my Board colleagues and to the Chief Officer and staff

of the General Medical Services (Payments) Board for their support and advice since I became Chairman.

The core business of the Board is the processing of claims, the making of payments and the provision of information. Our achievements over the past year have been very significant particularly in the way that we have continued to implement an eCommerce infrastructure in order to address our day-to-day business operations by using state of the art technology and also in the active way the Board has continued to promote the agenda for eGovernment.

The General Medical Services (Payments) Board strives to provide a modern, economic, efficient and effective service, on behalf of Health Boards, to primary care contractors, through developing:

- *An electronic business environment capable of secure efficient transaction and information processing in an area of expanding demand;*
- *The use of intelligent business agents to support management in the identification and analysis of current and projected trends and reporting on these trends on a business level, but primarily from the perspective of quality patient care.*

This Annual Report for 2002 reflects, as in previous years, the many and varied Schemes and payment systems which generated the workload of the Board in the year under review – while this workload was significantly greater than in any previous year, the Board's management and staff responded to these new challenges with determination and commitment to provide the best possible service to our clients.

The Board is accountable to the Public Accounts Committee of the Oireachtas for its expenditure, in accordance with its statutory role and responsibilities and is subject to annual external audit by the Comptroller & Auditor General. The Department of Health & Children (DoH&C) retains a policy oversight of our operations.

We are committed to the highest standards of corporate governance and as part of an ongoing review of the governance arrangements we have taken a number of actions to strengthen the risk management structures and control processes in operation.

During the year we continued to work closely with Health Boards and the Health Board Executive (HeBE) in relation to the management and reconciliation of the various databases between our respective organisations. This matter arose following the implementation of the granting of medical cards without means tests to persons aged 70 years and over, when it became apparent that the number of people who qualified under this agreement was significantly higher than that originally estimated.

We have for some time now been pursuing an agenda for change in relation to the mechanisms and systems used to register and maintain the database of persons eligible for health services. We are continuing to work with the Regional Health Boards and the Health Board Executive in order to manage the implementation of these changes.

In promoting its wider eCommerce agenda specifically by supporting the development of telematic links with primary care contractors the Board is currently involved in two national Information Technology Projects:

- the Central Client Eligibility Index (CCEI) and
- the Community Pharmacy Reimbursement project.

These projects are central to the Business and Information Systems Strategy adopted by the Board in 1999 and I am pleased to report that they are well advanced.

The primary driver for the Central Client Eligibility Index project is to enable better control and management of client data and file synchronisation between this Board and Health Board systems.

The implementation plan provides for a working pilot system to be deployed in the North Eastern Health Board in 2003, continuing, when the system is fully developed, with a full rollout to all Health Boards to take place during 2004.

The establishment of the Health Board Executive (HeBE) has provided an excellent platform for communication and conjoint action between this Board and Health Boards and I welcome this development.

During the course of the year the Board's relationship with our colleagues in the Health Boards was maintained and developed over a wide

range of mutual issues and primarily from the perspective of supporting primary care contractors in ensuring the delivery of quality patient care.

The Board's executive has in the course of the year continued the practice of meeting with stakeholders to discuss issues of mutual interest and where necessary to endeavour to resolve difficulties when they arise. The co-operation and goodwill shown by these groups is very much appreciated.

Our Board would like to acknowledge General Practitioners, Community Pharmacists, Dentists, Optometrists/Ophthalmologists and their staffs for their enduring dedication to the delivery of Primary Health Care Services to their communities. We recognise the importance of good communication with our customers and we have re-engineered our website to provide user-friendly information and support to our entire client base.

The staff of Health Boards especially those who deal directly with service providers and service users and who interface regularly with the staff of the Board are again very deserving of a special word of appreciation. I would also like to thank the officers from the Health Board Functional Teams, Finance, Human Relations and Information Systems, who have worked with the Board's executive on many different committees addressing strategic issues. I understand that the officers who have been involved in these endeavours and contributed to the Board's operations have found the process to be enriching for both the staff of this Board and Health Boards.

I would also thank the Minister for Health & Children and the officers of the Department who have worked closely with the Board and the Board's executive.

To the Chief Officer and his staff, who continue to provide a very efficient and professional service in a dynamic and complex business environment, I say a special thank you.

My thanks and appreciation to my fellow Board Members. Members who regularly attend meetings of the Board and who participate in so many other ways in the work of the Board will help me enormously to discharge my role as Chairman.



Ms. Maureen Windle
Chairman

Review and Outlook

The GMS (Payments) Board administers the payments and compiles the statistics in relation to the community-based services provided by 5,186 primary care professionals on behalf of Health Boards. The Schemes administered include:

- General Medical Services (GMS)
- Drugs Payment (DP)
- Long Term Illness (LTI)
- Dental Treatment Services (DTS)
- European Economic Area (EEA)
- High Tech Drugs (HTD)
- Primary Childhood Immunisation
- Health (Amendment) Act, 1996
- Methadone Treatment
- Health Board Community Ophthalmic Services (HBCOS)

To support the regional Health Boards in the delivery of these primary health care services the Board has installed and maintains, a range of Information Technology systems and procedures. In technology architecture and processing terms the Board could be positioned at a level with the mid to high-end building societies and banks. With approximately 43 million business transactions per annum with a transaction value level approaching €1.5 billion the scale of business activity places the organisation in this sector also.

Payments in the year 2002 were in excess of €1,270m, significantly up (23.8%) on payments of €1,026m made in the year 2001.

The following table sets out in summary form the overall increase in terms of the number of items which the Board has reimbursed during the year and the associated costs.

Summary of trends and patterns - 2002 over 2001

Description	2002	2001	% Increase
Persons Registered	2.58m	2.44m	6%
% of registered population who availed of services			
	77%	88%	-
No. of Items	43m	39m	10%
Payments			
Doctors	€282.07m	€213.98m	32%
Pharmacies	€817.55m	€674.80m	21%
Dentists	€45.72m	€41.65m	10%
Optometrists	€13.94m	€9.81m	42%
Wholesalers HTD	€80.31m	€61.23m	31%

Estimated payments by the Board for 2003, based on the information currently available, will be approximately €1.45 billion. The Board received notification of its allocation for 2003 in December 2002 and this allocation must be managed within the parameters outlined. This will present significant challenges in the coming year particularly when viewed from the perspective of the Board's relatively narrow remit i.e. that of a processing and payments board.

The Board plans to prepare three-year projections of Scheme Expenditures so as to enable an informed view to be made of known trends over the medium term. Such an exercise will be valuable in assessing for example the potential impact of an ageing population on the cost of the GMS Scheme following its extension to all over-seventies, the impact of increased prescribing rates and so on.

Although the GMS (Payments) Board is held accountable for its expenditure, in practice the level of expenditure in any given year is subject to many variables outside our direct control. Most,

if not all, of the Schemes administered are demand led. Once eligibility is confirmed the Board must manage reimbursement both in respect of services provided by the primary care contractors and also in respect of basic capitation fees and allowances, which flow from patient registration. In addition to this the Board has no control over the range of medicinal products, which are approved and become reimbursable under the various Schemes.

Governance and Accountability

Overview of Schemes

The GMS (Payments) Board administers payments on a range of Schemes relating to the treatment of eligible persons in a primary or community care setting and covers, *inter alia*, payments in respect of medical card, drug cost subsidisation, long term illness, high tech drugs, dental treatment and ophthalmic services.

The Schemes are at the centre of the primary care infrastructure in the health system and a major part of total expenditure within the Schemes is demand led. The population eligible for services under the Schemes also significantly influences this expenditure. Expenditure by the Board has more than doubled over the past five years and at current levels accounts for nearly 17% of total non-capital public health spending.

The total expenditure arising from the Schemes administered by the Board in 2002 was €1.27bn and expected to increase to approximately €1.45bn in 2003. This increase is due to a number of factors – higher population coverage, expansion of services provided within existing Schemes, increased fee rates to contractors, provision and reimbursement of more expensive drugs/medicines and inflationary cost factors.

Governance

Governance arrangements for state agencies, such as the GMS (Payments) Board, are influenced by the *Code of Practice for Governance of State Bodies* published by the Department of Finance, which sets out the key elements of corporate governance.

The GMS (Payments) Board is committed to the highest standards of corporate governance and in 2002 has commenced a comprehensive review of its overall governance arrangements and has taken a number of actions to strengthen the risk management and control processes in operation.

This comprehensive review includes –

- consideration of the *Code of Practice for Governance of State Bodies*, with a view to ensuring that the existing governance arrangements are strengthened to meet best possible standards
- the appointment of a number of new Committees to assist the Board in discharging its functions.

These new committees (whose purpose is to support the effective operation of the Board) include an Audit Committee and a Finance Committee.

The Audit Committee will monitor the adequacy and effectiveness of the risk management and internal control framework in operation in the Board, approve the Audit Strategy and Plan, review the actual work of the Internal Audit function and maintain a liaison relationship with the External Auditors.

The role of the Finance Committee is to support the Chief Officer in relation to all aspects of financial management of the Board's activities, to assist in the preparation of a Service Plan and Annual Budget and generally to provide support in areas of operational risk, regulatory compliance and business ethics.

Review and Outlook continued

Pharmacy Claims and Payments

At year-end almost 75% of Pharmacists were submitting approximately 2.4 million claim items electronically each month and in the majority of cases were qualifying for payment within 14 working days.

The Comptroller and Auditor General (Amendment) Act, 1993 provides for the Audit of the Board's Accounts by the Comptroller and Auditor General. Over the past number of years the Audit has highlighted uncertainty regarding the validity of a proportion (Circa 8%) of claims submitted for payment. The volume of pharmacy claims, which are presented for payment with incomplete patient data, has been a matter of serious concern to the Board over many years. A number of initiatives over the years, including the replacement of medical cards with laminated plastic cards, have not succeeded in eliminating this problem.

In December 2002, the Department of Health & Children advised the Board that the Government had decided that the practice of reimbursing Pharmacists for claims with incomplete eligibility documentation should cease and that the practice of issuing Advance Payments should also cease. (Advance Payments were issued to Pharmacists because the data was captured manually and the lead-time for claim reimbursement was approximately 6 weeks. As a result of the introduction of electronic claim submission this has now been reduced to 14 working days). The Board moved immediately to implement the Government decisions. Following discussions and on the basis of agreement with the Irish Pharmaceutical Union (IPU), that all stakeholders would work jointly to implement initiatives aimed at resolving the issues underpinning these incomplete claims, the Board and the Department of Health & Children agreed to suspend for a short period the immediate implementation of the decision that could effect payments, pending a speedy resolution of the issues involved.

The programme of work to resolve these issues, which includes the participation of the Irish Pharmaceutical Union (IPU), includes the following:

- (1) Synchronisation of all patient databases (Health Board, GMS (Payments) Board and individual Community Pharmacy)
- (2) Definition and adoption of protocols regarding emergency situations where a Pharmacist must dispense on an urgent basis
- (3) Implementation of a national protocol regarding Management and Control of Client Registration for all Schemes.

In relation to all of these issues work is progressing well and it is planned that they will be resolved during 2003.

General Practitioners

In the course of the year the Chief Officer met with representatives of the Irish Medical Organisation (IMO) on a number of occasions to discuss operational issues. These meetings provided a forum for agreement regarding how the operation of the Schemes could become more transparent and effective.

It was agreed that through the use of technology General Practitioners could be afforded greater access to the Board's databases and that the current reporting arrangements could be enhanced to provide greater clarity and transparency.

It was also agreed that this forum would examine how the current business processes regarding client registration could be streamlined and how the proposed implementation of an electronic swipe card, with more comprehensive client and contractor data, could assist in this regard.

At year-end more than 200 General Practitioners have a facility for inputting Special Type Consultation/Special Service claims directly into the Board's claims processing systems using the

web based system developed and implemented by the Board. This web based facility is also being enhanced to allow General Practitioners access the lists of patients on their panels and it will provide the facility to download these lists for General Practitioners to input into their own local Practice Management Systems. We are aware of the potential and opportunities that can be exploited through these media and will continue to support the development of health care applications conscious of the requirement for security, privacy and confidentiality.

During the year the Board fully implemented the agreement that the Department of Health & Children had reached with the Irish Medical Organisation in 2001. This agreement in addition to dealing with the introduction of universal eligibility to persons aged 70 years and over, also included a significant range of additional contractual changes, including:

- Primary Childhood Immunisation Scheme
- Practice Nurses and Secretaries
- Practice Nurse & Practice Secretary Establishment Grant
- Discretionary Medical Cards
- Asylum Seekers
- Medical Indemnity
- Former District Medical Officers – Increases to Guaranteed Salary
- Training Grants
- Temporary Residents/Non Rota Patients/E111/E128
- Out-of-Hours Review

During the year the Board continued to work closely with Health Boards and the Health Board Executive (HeBE) in relation to managing the incidence of excess registrations on the GMS database. This issue arose following the decision to grant medical cards without means tests to

persons aged 70 years and over, when it became apparent that the number of people who qualified under this agreement was significantly higher than that originally forecast. Work is continuing in this area and it is planned that any excess payments that have been made will be recouped once the associated legal and contractual issues are addressed.

Dental Treatment Services Scheme (DTSS)

In March 2002, following protracted negotiations, the Board implemented the new validation procedures. This resulted in an application for an interlocutory injunction, which was not granted, against the Board on the grounds that the validation procedures had not been agreed or accepted by the Irish Dental Association (IDA). The Board has on a number of occasions advised Dentists regarding the operational procedures associated with claim reimbursement and is also seeking to work with the IDA and contracting Dentists in order to use technology where appropriate to make the systems more effective. A pilot project, initiated by the IDA, regarding claim submission has been well received by the Board. The Board is confident that this initiative can be a base for future progress.

Review of Reimbursable Non Drug Items

The Board's Non Drug Review Group conducts an Annual Review of the list of Non Drug Items that are reimbursable under the GMS Scheme.

This Group comprises of Health Board personnel with expertise in the various disciplines, representatives of the Department of Health & Children and the GMS (Payments) Board. Prior to the review process executive officers of the Board meet with individual manufacturers and representatives of the industry on matters relevant to the Annual Review. The Board, through its executive and aided by external

Review and Outlook continued

advisors, is informed in relation to best practice and EU Directives affecting this area of the Board's business.

The products added and price changes implemented in 2002 relate to the following categories – Clinical Nutritional Products, Diagnostics, Dressings, Ostomy Appliances, Urinary Appliances, Syringes/Needles and Lancets.

Taking cognisance of the difficulties in predicting the prescribing patterns or quantities required of Non Drug Items in the year ahead it is estimated that the cost in this area of the GMS Scheme will increase by more than 14.36% i.e. from €39.7m to €45.4m approx.

As part of its brief this Review Group will also conduct a review of dressings. It is planned that the result of this part of the Review will be the publication of guidelines that will incorporate the criteria with which Manufacturers must comply when applying to have dressings reimbursable under the GMS Scheme. Because of the complex nature of the applications for the newer generation of dressings submitted to date it is expected that there will be some difficulty in categorising these products and it is planned that this phase of the review will be completed during 2003.

Indicative Drug Targets (IDT)

During the year the Board established a Review Group to examine the current drug target methodology. This Review will consider whether using age and gender in the calculations is sufficient, or if the medical needs of persons on Doctors' panels should be more closely integrated into the calculations. The Group met on a number of occasions and is currently examining the principles/guidelines of the Indicative Drug Target Scheme. It is planned that a final report of this group will be presented to the Board later in 2003.

Administration

In 2002, General Administration costs were €13.71m.

Of this the principal cost headings were –

- €0.30m was the cost of providing laminated plastic cards for the Drugs Payment Scheme which was introduced in July 1999
- €2.71m was attributable to ongoing computer systems development, maintenance and software licence costs
- €0.28m was expended on Health Board stationery (prescription forms, claim forms etc.)
- €1.9m for other stationery supplies
- €0.42m was expended on postal and telephone charges.

Salaries, wages and other staff costs totalled €4.75m i.e. less than 0.4% of the Board's total expenditure.

Information Technology and Business Strategy Development

In the Business Statement & Information Systems Strategy, adopted in 1999, proposals are set out for the use of state of the art technology to address the Board's day-to-day business operations.

Because of the fact that the Personal Public Service (PPS) Number represents a key part of the eGovernment strategy, the PPS number is central to the development of the Board's Information Technology infrastructure. For this reason the Board believes that the PPS number is an essential piece of data to be collected on patient registrations under all Schemes. The Board however recognises, that because of the fact that individuals might not always have their PPS number to hand when registering, there is a need for exceptional arrangements to be in place to allow for emergency registration without the PPS number.

The Board is currently involved in two national Information Technology Projects (1) the Central Client Eligibility Index (CCEI) and (2) the Community Pharmacy Reimbursement project. These projects are central to Board's strategy and are well advanced.

CCEI Project

This project provides for the implementation of a national Central Index and supporting enhanced schemes administration systems in Health Boards to enable control and management of client data and file synchronisation between the Board and Health Board systems.

The Board has implemented a technical solution. Pilot trials were held in the North Eastern Health Board in early 2002 and the business process issues encountered have now been resolved and agreement has been reached on an implementation plan for the project. The project plan provides for a further period of pilot implementation in the North Eastern Health Board and following completion of this a full rollout to all Health Boards will commence in the autumn of 2003, with full implementation during 2004.

Community Pharmacy Reimbursement Project Description

This project provides for claims to be validated directly against the Board's Central Index, by means of swipe cards issued to eligible persons, plus electronic claims from pharmacies via secure electronic messaging. The project to develop the interface between the Board and a number of pharmacies, using software components integrated into the pharmacy systems supplied by the main pharmacy system vendors in Ireland, is well underway. A technical solution is currently being tested and pilot trials are ongoing in a number of pharmacies nationwide.

In view of the operational efficiencies and additional controls provided to the health services through electronic reimbursement and electronic

patient identification the Department of Health & Children has agreed with the Irish Pharmaceutical Union to provide partial grant aid to pharmacies who deploy the new technology.

European Commission - Information Society Technologies (IST) 5th Framework

Since January 2000 the Board has been involved in a Research & Development Project funded (under the 5th Framework Programme) by the Information Society Technology, European Commission. The project entitled '*Professionals and Citizens Network Integrated Care*' (PICNIC) will finalise early in 2003.

The aim of PICNIC is to prepare regional healthcare providers to implement the next generation of secure, user-friendly healthcare networks with the Board specifically involved from the perspective of clinical messaging and the reimbursement service. The Board plans to develop, as part of the PICNIC project, common components and provide these components to pharmacy system vendors. This initiative will support the system vendors in providing patient identification functionality to Pharmacists to allow them to verify eligibility for services at the point of contact and allow them forward claims for reimbursement directly to the GMS (Payments) Board.

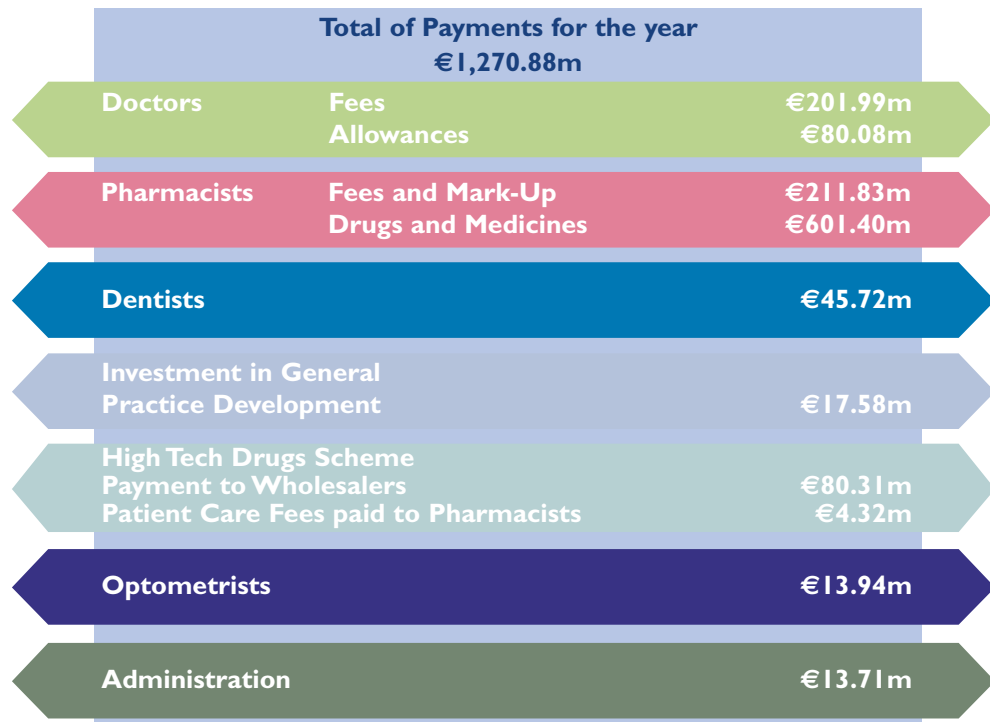
Raven House Lease

The Board has a break option and rent review in the lease for Raven House, which can be exercised in December 2004. Since the Board moved into Raven House in 1975, the business and associated Information Technology infrastructure has grown significantly. In order to ensure that a proper business continuation strategy is in place, the Board is addressing all aspects of its office accommodation, including the IT facility. To this end a Steering Group has been established to advise and make recommendations to the Board.

Summary Statement of Activity During the Year

- Payments in the Year were in excess of €1,270.88m.
- Claim data is processed and payments are made by the Board under the following Schemes:
 - General Medical Services (GMS);
 - Drugs Payment (DP);
 - Long Term Illness (LTI);
 - Dental Treatment Services (DTS);
 - European Economic Area (EEA);
 - High Tech Drugs (HTD);
 - Primary Childhood Immunisation;
 - Health (Amendment) Act 1996;
 - Methadone Treatment;
 - Health Board Community Ophthalmic Services (HBCOS).
- At year end there were more than 2.58m persons registered as being eligible to benefit under the General Medical Services, Drugs Payment, Long Term Illness, Dental Treatment and Health Board Community Ophthalmic Services Schemes.
- More than 77% of eligible GMS persons availed of GP, Pharmaceutical, Dental or Ophthalmic services provided by more than 5,186 Doctors, Pharmacists, Dentists and Optometrists/Ophthalmologists.
- More than 40.2m prescription items were paid for by the Board - an increase of over 4.2m items on 2001.
- Fees and allowances paid to Doctors totalled €282.07m.
- Payments to Pharmacies totalled €817.55m:
 - GMS €550.89m;
 - DP €192.37m;
 - LTI €61.64m;
 - EEA €1.54m;
 - Patient Care Fees under the HTD Scheme €4.32m;
 - The Health (Amendment) Act 1996, Methadone Treatment Scheme and DTS prescriptions €6.79m.
- Payments to Dentists under the DTS totalled €45.72m.
- Payments to Optometrists/Ophthalmologists under the HBCOS totalled €13.94m.
- Payments to Wholesalers under the HTD Scheme totalled €80.31m.
- Administration costs in the accounting period of 2002 were €13.71m.
- Claims processed are in respect of services provided in the community and availed of by almost 64% of the population.

The Year 2002



- Allowances paid to Doctors include an amount of €5.90m paid as superannuation to Retired District Medical Officers and their dependants.
- Fees to Doctors include an amount of €5.27m in respect of the Primary Childhood Immunisation Scheme, €0.20m in respect of the Health (Amendment) Act 1996, €3.40m in respect of the Methadone Treatment Scheme.
- Payments to Pharmacists include an amount of €1.01m in respect of drugs/medicines dispensed under the Health (Amendment) Act 1996, an amount of €5.33m in respect of the cost of Methadone dispensed under the Methadone Treatment Scheme and an amount of €0.45m in respect of DTS prescriptions.
- The corresponding figures for 2001 are –
 - Total of Payments €1,026m.
 - Doctors' Fees €145.46m and Doctors' Allowances €68.52m.
 - Pharmacists' Fees and Mark-Up €176.94m, Drugs and Medicines €493.98m.
 - Payments to Dentists under the DTS Scheme were €41.65m.
 - Payments to Optometrists €9.81m.
 - Investment in General Practice Development was €11.60m.
 - High Tech Drugs Scheme – Payment to Wholesalers €61.23m, Patient Care Fees €3.88m.
 - Administration €12.71m.

Number of Agreements

2,134 Doctors

1,249 Pharmacists

1,349 Dentists

454 Optometrists

The number of agreements between Health Boards and General Practitioners for the provision of services to GMS persons reflects the policy position agreed between the Department of Health & Children and the Irish Medical Organisation on entry to the GMS. In December 2002 there were 2,134 such agreements. There were 150 GPs who do not hold GMS agreements and who were registered as providing services under the Primary Childhood Immunisation Scheme, the Health (Amendment) Act 1996 and the Methadone Treatment Scheme at year end.

Number of Agreements as at 31st December 2002

Health Board	Doctors	Pharmacists	Dentists	Optometrists
East Coast Area	213	117	88	38
South West Area	276	163	197	56
Northern Area	230	129	138	51
Midland	115	70	74	36
Mid-Western	197	129	96	37
North Eastern	159	106	145	49
North Western	131	69	76	21
South Eastern	207	137	139	46
Southern	359	199	281	61
Western	247	130	115	59
National	2,134	1,249	1,349	454
Corresponding figures for 2001	1,863	1,203	1,315	437

213 Dentists who are employees of Health Boards and who provide services under the Dental Treatment Services Scheme are included above.

Persons Eligible for Services

GMS 1,168,745

DP 1,319,395

LTI 92,745

Persons who are unable without undue hardship to arrange General Practitioner medical and surgical services plus dental and optometric services for themselves and their dependants are provided with such services free of charge under the GMS Scheme. An eligible person is entitled to select a Doctor of his/her choice, from among those Doctors who have entered into agreements with Health Boards. Drugs, medicines and appliances prescribed by participating Doctors for their GMS patients are provided through Community Pharmacies. Dental and ophthalmic services are provided by Dentists and Optometrists/Ophthalmologists who have contracted with Health Boards. GMS prescription forms may be dispensed in any Pharmacy that has an agreement with a Health Board to dispense GMS prescription forms. In rural areas, where a Doctor has a centre of practice three miles or more from the nearest retail Pharmacy participating in the Scheme, the Doctor dispenses for those persons served from the centre who opt to have their medicines dispensed by him/her. The number of eligible GMS persons at year end included 54,918 persons who were entitled and had opted to have their medicines dispensed by their GPs.

Under the terms of the Drugs Payment Scheme persons who do not have a medical card may apply for a Drugs Payment Scheme card on an individual or on a family unit basis. Prescribed medicines, which are reimbursable under the GMS, costing in excess of a specified amount per month, currently €65 per family, is claimed by the pharmacy and is paid by the Board.

On approval by Health Boards persons who suffer from one or more of a schedule of illnesses are entitled to obtain, without charge, irrespective of income, necessary drugs/medicines and/or appliances under the LTI Scheme. The Board makes payments on behalf of Health Boards for LTI claims submitted by Pharmacies.

Number of Eligible Persons as at 31st December 2002

Health Board	GMS	DP	LTI
Eastern Regional Boards	344,270	451,122	44,303
Midland	70,657	75,088	4,192
Mid-Western	99,095	127,749	6,475
North Eastern	104,445	123,705	5,965
North Western	96,924	62,347	4,439
South Eastern	138,600	135,873	8,209
Southern	176,425	224,618	13,305
Western	138,329	118,893	5,857
National	1,168,745	1,319,395	92,745
% of Population	29.84%	34%	2.34%
Corresponding figures for 2001	1,199,454	1,156,836	87,988

GMS - General Medical Services Scheme. **DP** - Drugs Payment Scheme. **LTI** - Long Term Illness Scheme.

Payments to Doctors

Fees €201.99m

Allowances €80.08m

Payments to General Practitioners are categorised as fees and/or allowances. For the majority of GPs who operate under the 1989 agreement the principle fee item is the capitation per person which is weighted for gender, age and distance from Doctor's centre of practice - capitation fees totalled €148,955,173 in 2002 - an increase of €52,052,269 over 2001. Fees totalling €1,975,702 were paid to 21 GPs who continue to provide services under the Fee-Per-Item of service agreements.

Apart from 'Out-of-Hours' fees and fees for a range of special services the cost of services provided in normal hours by GPs for GMS persons, including the prescribing of necessary medicines, is encompassed by the capitation fee. All GMS persons can avail of full GP services and in many cases they can benefit from specialist clinics provided by GPs for issues such as Women's Health, Family Planning and Asthma.

In addition to a capitation fee an outside normal hours fee is payable for non routine consultations when an eligible GMS person is seen by their GP or another GP acting on his/her behalf from 5pm in the evening to 9am on the following morning (Monday to Friday) and all hours on Saturdays, Sundays and Bank Holidays. The number of 'Out-of-Hours' claims increased to 481,407 in 2002 compared with 464,321 in 2001 - and the cost of such claims increased to €20,349,451 from €18,259,061 in 2001. Special fees are payable for a range of 18 services such as excisions, suturing, vaccinations, catheterization, family planning etc. (refer to page 34 for full list of special items) - the most frequent claimed special service in 2002 was Influenza Vaccination (272,525) followed by Excisions (54,583) and Nebuliser treatments (37,977) - there was a total of more than 486,635 special services provided in 2002 - special fees totalling €14,161,099 were paid in 2002.

Annual and Study Leave together with locum, nursing and secretarial support plus other practice support payments account for most of the €80,080,605 allowances paid in the year. The total paid in 2001 was €68,514,898.

Total of Payments to Doctors by Health Board

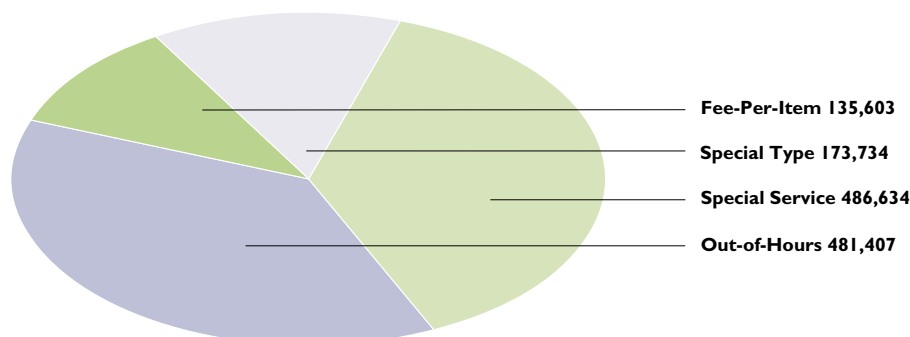
Health Board	2002
East Coast Area	21,366,704
South West Area	32,458,244
Northern Area	26,365,956
Midland	18,186,989
Mid-Western	24,552,584
North Eastern	24,924,272
North Western	21,557,531
South Eastern	33,405,581
Southern	43,975,700
Western	35,274,772
National	€282,068,333
Corresponding figure for 2001	€213,981,671

The total of payments to Doctors in the Midland, Mid-Western, Southern and Western Health Boards includes payments of €5,273,494 under the Primary Childhood Immunisation Scheme; €198,882 to Doctors who provided services under the Health (Amendment) Act 1996 and €3,397,257 under the Methadone Treatment Scheme.

For details of Fees and Allowances payable refer to pages 34 to 35.

Volume of Claims by Doctors

National - Number of Claims - 2002



Number of Claims in each Health Board

Health Board	Fee-Per-Item	Special Type	Special Service	Out-of-Hours
East Coast Area	2,517	10,976	38,683	29,638
South West Area	37,814	12,510	47,261	38,959
Northern Area	27,617	12,924	43,709	32,590
Midland	-	16,617	29,834	32,419
Mid-Western	22,351	17,122	37,480	35,832
North Eastern	-	9,513	40,049	11,313
North Western	-	13,427	39,935	40,077
South Eastern	10,070	17,402	67,001	71,839
Southern	35,234	32,402	75,662	109,499
Western	-	30,841	67,020	79,241
National	135,603	173,734	486,634	481,407
Corresponding figures for 2001	170,699	172,286	449,358	464,321

A majority of Doctors are paid an annual capitation fee for each eligible person - the rate of payment is determined by the age/gender of the person and distance between each person's residence and the centre of practice of their Doctor-of-Choice.

A minority of Doctors (21) who have continued to provide services under the Fee-Per-Item of Service agreement are paid a fee for each Doctor/Patient contact.

STC - A Special Type Consultation fee is payable when a GMS eligible person is unable to contact their registered Doctor and is seen as an emergency case by another.

General Practitioners qualify for payment of 'special fees' for the special items of service separately identified under the Capitation agreement and the Fee-Per-Item agreement.

Payments to Pharmacies

GMS €550.89m

DP €192.37m

LTI €61.64m

EEA €1.54m

A GMS person who is provided with a properly completed GMS prescription form by his/her GP can choose to have such prescription forms dispensed in any of the Pharmacies who have entered into agreements with Health Boards for the provision of services under Section 59 of the Health Act, 1970.

In 2002 there were 11.6m prescription forms containing 29.5m prescription items dispensed at a cost of over €537,874,666 i.e. an average cost of €18.24 per dispensed item. More than 77% of all eligible GMS persons were prescribed for in the year. The average cost of medicines per GMS person in 2002 was €457.93.

Payments made to Pharmacies under the GMS and DTS Schemes are inclusive of the ingredient cost of medicines, dispensing fees and VAT.

Under DP, LTI and EEA Schemes Pharmacies are reimbursed the ingredient cost of items dispensed; dispensing fees and VAT; a markup of up to 50% on the ingredient cost of items dispensed is also paid.

The cost of the High Tech Drugs Scheme was €84.6m - at year end there were 18,364 persons registered under this Scheme - Patient Care Fees totalled €4.32m and payments for drugs and medicines totalled €80.31m.

In the year the Board processed claims valued at €193.4m on drugs acting on the 'cardiovascular system' (GMS €121.6m, DP €63.3m and LTI €8.5m). The second highest cost category was drugs acting on the 'nervous system' €166.24m (GMS €111.12m, DP €45.7m, LTI €9.42m). The third highest amount paid was for drugs acting on the alimentary tract and metabolism system €150.3m (GMS €84.55m, DP €48.27m, LTI €17.48m).

Total of Payments to Pharmacies by Health Board

Health Board	GMS €	DP €	LTI €	*EEA €
East Coast Area	38,128,149	18,761,248	6,784,589	51,218
South Western Area	68,966,768	33,133,932	10,926,980	80,258
Northern Area	59,221,599	28,825,897	9,342,430	53,108
Midland	36,543,065	10,478,602	3,164,842	76,991
Mid-Western	49,335,197	17,123,915	4,566,647	146,587
North Eastern	49,379,131	15,425,553	5,133,004	124,514
North Western	36,739,674	7,079,455	3,351,207	243,123
South Eastern	65,046,017	17,907,568	6,439,967	167,648
Southern	86,705,248	29,077,107	7,724,317	336,311
Western	60,827,690	14,552,891	4,201,858	263,787
National	€550,892,538	€192,366,168	€61,635,841	€1,543,545
Corresponding figures for 2001	€434,019,532	€177,616,777	€52,080,599	€1,410,112

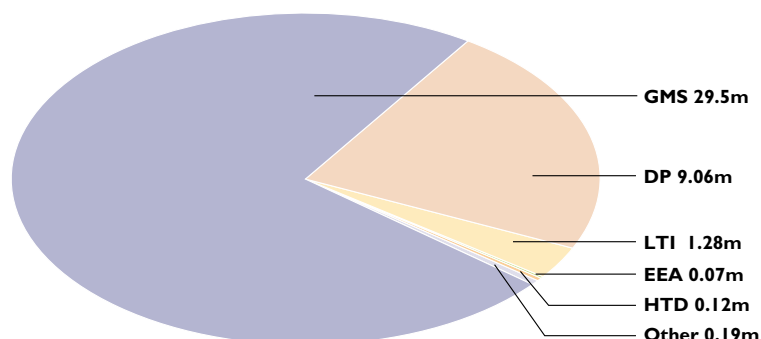
*EEA - Payment to Pharmacies to cover the cost of GMS prescriptions dispensed for residents from the European Economic Area.

Pharmacies were also paid in respect of the drugs/medicines dispensed under: Health (Amendment) Act 1996 - €1,017,727; Methadone Treatment Scheme - €5,326,470; DTS Scheme - €450,933 and Patient Care Fees totalling €4,323,703 under the High Tech Drugs Scheme. (Payments to Wholesalers under the High Tech Drugs Scheme amounted to €80,306,977).

For details of Fees refer to page 36.

Volume of Claims by Pharmacies

National - Number of Items - 2002



GMS prescription forms processed for payment in the year totalled 11.6m - the total of prescribed items was more than 29.5m - these accounted for approximately 73% of all items paid for by the Board in 2002.

Approximately 42% of forms contained a single item; more than 22% contained 2 items - the average number of items per form was 2.55 (2001 – 2.44).

GMS dispensed items paid for by the Board in 2002 increased by more than 3,978,000 - the increase in the number of DP items was more than 77,000 - the overall increase in the number of pharmacy claims processed by the Board in the year was more than 2.6m.

Number of Items in each Health Board

Health Board	GMS	DP	LTI	EEA	HTD	*Other
East Coast Area	2,031,733	894,892	131,951	2,824	9,141	4,520
South West Area	3,760,952	1,453,636	223,159	4,312	16,800	6,837
Northern Area	3,110,620	1,298,763	202,647	2,734	14,115	7,034
Midland	1,944,495	529,388	66,717	3,646	6,949	4,520
Mid-Western	2,719,803	816,929	101,734	7,211	8,933	6,837
North Eastern	2,655,382	773,143	111,968	5,497	11,100	7,034
North Western	1,898,016	330,660	65,634	11,829	9,142	4,502
South Eastern	3,496,753	924,404	132,284	8,940	13,035	9,225
Southern	4,814,955	1,386,183	165,319	16,021	16,278	12,485
Western	3,066,990	654,937	78,697	12,507	12,647	7,361
National	29,499,699	9,062,935	1,280,110	75,521	118,140	194,737
Corresponding figures for 2001	25,658,179	8,985,466	1,157,876	74,788	110,201	243,241

* This group includes 16,541 claim items in respect of the Health (Amendment) Act 1996; 131,304 items under the Methadone Treatment Scheme and 46,892 prescription items under the DTS Scheme.

GMS - General Medical Services Scheme. **DP** - Drugs Payment Scheme.

LTI - Long Term Illness Scheme. **EEA** - European Economic Area. **HTD** - High Tech Drugs Scheme.

Other - Methadone Treatment Scheme, Health (Amendment) Act 1996 and Dental Treatment Services Scheme.

Payments to Dentists

Above the line €29.17m

Below the line €16.49m

Dentists were paid a total of €45,672,441 in 2002, in respect of treatments provided for more than 207,885 GMS persons under the DTS Scheme.

The following treatments were available to all eligible GMS persons.

ROUTINE - Routine treatments are categorised as either 'Above the Line' or 'Below the Line':
'Above the Line' treatments are uncomplicated procedures viz. Amalgam; Extractions;
'Below the Line' treatments are advanced procedures viz. Protracted Periodontal;
Prosthetics.

'Below the Line' treatments - prior Health Board approval for a specific course of treatment under this category is required. Full denture treatment is available, with prior Health Board approval, to all edentulous GMS persons over 16 years.

Payments to Dentists in each Health Board

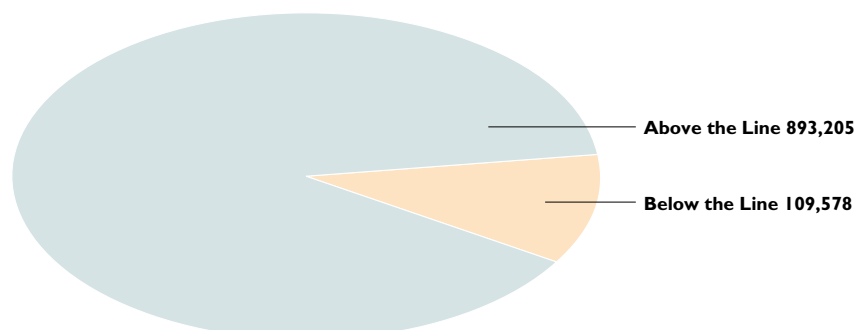
Health Board	2002
Eastern Regional Boards	€12,177,076
Midland	€2,544,377
Mid-Western	€3,882,221
North Eastern	€3,813,325
North Western	€3,212,523
South Eastern	€5,410,888
Southern	€8,982,288
Western	€5,649,743
National	€45,672,441
Corresponding figure for 2001	€41,613,269

Dentists were also paid a total of €45,080 in 2002 in respect of treatments under the Health (Amendment) Act 1996.

For details of Fees refer to page 37.

Volume of Claims by Dentists

National - Volume of Treatments - 2002



Volume of Treatments by Dentists in each Health Board

Health Board	+Above the Line	+Below the Line	No. of persons treated under DTS
Eastern Regional Boards	247,200	26,835	55,325
Midland	46,431	7,126	11,659
Mid-Western	76,220	8,430	18,240
North Eastern	74,873	10,282	18,821
North Western	69,350	5,372	15,400
South Eastern	100,966	14,315	25,917
Southern	172,140	23,487	39,311
Western	106,025	13,731	25,433
National	893,205	109,578	210,106
Corresponding figures for 2001	876,109	104,819	186,900

ROUTINE - Routine treatments are categorised as either 'Above the Line' or 'Below the Line':

'Above the Line' (ATL) treatments are uncomplicated procedures;

'Below the Line' (BTL) treatments are advanced procedures.

+ The most frequently used ATL service was Amalgam Restoration which was used by 85,092 patients followed by Oral Examination. In the BTL category the most frequently used service was Prosthetics followed by Radiographs and Protracted Periodontal.

Payments to Optometrists/Ophthalmologists

Under the Health Board Community Ophthalmic Services Scheme Optometric/Ophthalmic services are provided to adult medical card holders, which includes free eye examinations and necessary spectacles/appliances.

Payments in respect of spectacles provided under the Childrens Scheme are also made by the Board on behalf of the majority of Health Boards.

In the 12 month period to the end of December 2002 claims were received on behalf of 154,501 eligible persons for 397,578 treatments costing €13,940,154.

Eye examinations by Optometrists/Ophthalmologists totalled 145,357; complete spectacles (distance, reading and bi-focals) provided under the Scheme totalled 199,189. The balance of treatments included replacement lenses and frames, tinted lenses, prisms and contact lenses.

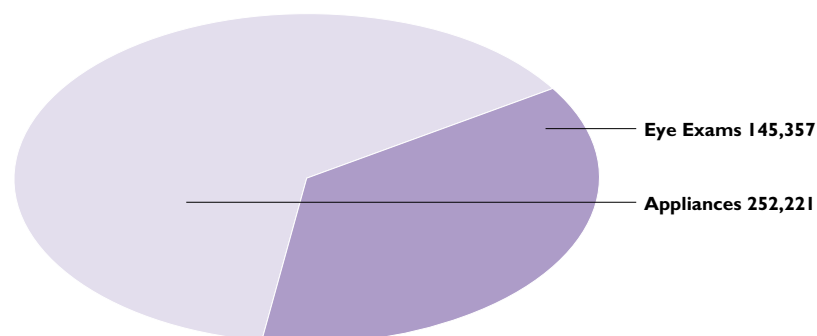
Payments to Optometrists/Ophthalmologists in each Health Board

Health Board	2002
Eastern Regional Boards	€3,561,974
Midland	€957,152
Mid-Western	€1,313,686
North Eastern	€996,363
North Western	€1,012,749
South Eastern	€2,112,227
Southern	€2,582,299
Western	€1,403,704
National	€13,940,154
Corresponding figure for 2001	€9,810,369

For details of Fees refer to page 38.

Volume of Treatments by Optometrists/ Ophthalmologists

National - Volume of Treatments - 2002

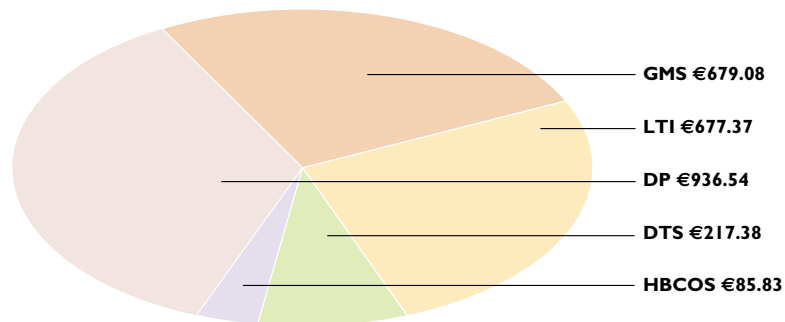


Volume of Treatments by Optometrists/Ophthalmologists in each Health Board

Health Board	Eye Exams	Appliances	Volume of Treatments	No. of persons treated
Eastern Regional Boards	41,054	57,378	98,432	41,856
Midland	8,860	19,325	28,185	9,437
Mid-Western	11,277	26,484	37,761	13,273
North Eastern	10,744	18,066	28,810	11,331
North Western	10,704	19,807	30,511	11,287
South Eastern	20,786	40,547	61,333	21,857
Southern	27,871	43,703	71,574	30,121
Western	14,061	26,911	40,972	14,970
National	145,357	252,221	397,578	154,132
Corresponding figures for 2001	106,129	199,795	305,924	111,613

Cost per Eligible Person

National – 2002



Cost per Eligible Person in each Health Board

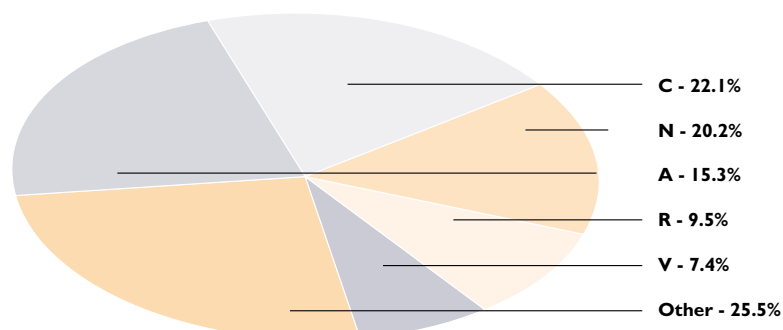
Health Board	GMS			LTI	DP	DTS	HBCOS
	Doctor Cost €	Pharmacy Cost €	Total Cost €	Pharmacy Cost €	Net Cost Per Claimant €	Per Person Treated €	Per Adult Treated €
Eastern Boards	211.15	463.89	675.04	624.82	1,007.74	220.16	85.67
Midland	230.27	503.76	734.03	789.36	911.85	218.23	85.49
Mid-Western	220.21	481.50	701.71	726.30	922.23	212.84	87.83
North Eastern	224.36	458.53	682.89	868.42	861.95	202.61	85.93
North Western	211.56	373.35	584.91	777.43	960.54	208.60	83.29
South Eastern	229.30	460.90	690.20	824.88	836.55	208.77	88.11
Southern	226.98	481.67	708.65	564.04	881.14	228.49	85.50
Western	231.12	427.63	658.75	736.04	935.13	221.14	83.85
National	€221.15	€457.93	€679.08	€677.37	€936.54	€217.38	€85.83
Corresponding figures for 2001	€169.46	€371.08	€540.54	€608.16	€890.10	€222.65	€86.33

The Doctor cost above does not include superannuation paid to retired DMOs.

Medical and pharmaceutical services delivered to GMS persons increased in cost by €138.54 per eligible person - the cost of medical services per person increased by more than 23% as also did the cost per person of pharmaceutical services.

Major Therapeutic Classification of Drugs, Medicines and Appliances - General Medical Services Scheme

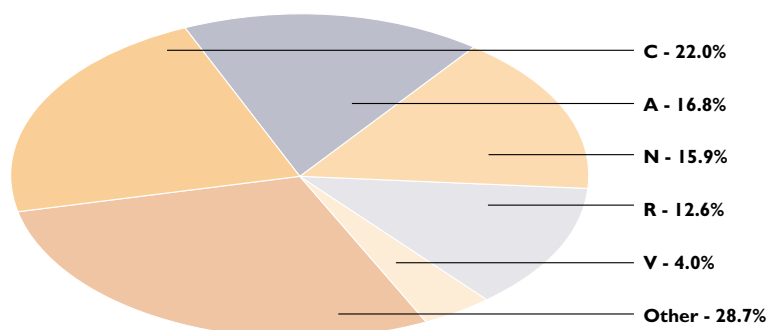
National - 2002



Major Therapeutic Classification		€m	%
A	Alimentary Tract and Metabolism	84.55	15.3
B	Blood and Blood Forming Organs	18.80	3.4
C	Cardiovascular System	121.59	22.1
D	Dermatologicals	11.57	2.1
G	Genito Urinary System and Sex Hormones	23.51	4.3
H	Systemic Hormonal Preps. excl. Sex Hormones	5.53	1.0
J	General Anti-infectives for Systemic Use	26.86	4.9
L	Antineoplastic and Immunomodulating Agents	4.21	0.8
M	Musculo-Skeletal System	38.02	6.9
N	Nervous System	111.12	20.2
P	Antiparasitic Products	0.77	0.1
R	Respiratory System	52.00	9.5
S	Sensory Organs	11.04	2.0
V	Clinical Nutritional Products	19.96	3.6
	Ostomy Requisites	6.84	1.2
	Urinary Requisites	1.86	0.3
	Diagnostic Products	8.33	1.5
	Needles/Syringes/Lancets	1.47	0.3
	Dressings	1.26	0.2
	Miscellaneous	1.61	0.3
Total		€550.90m	100%

Major Therapeutic Classification of Drugs, Medicines and Appliances - Drugs Payment Scheme

National - 2002

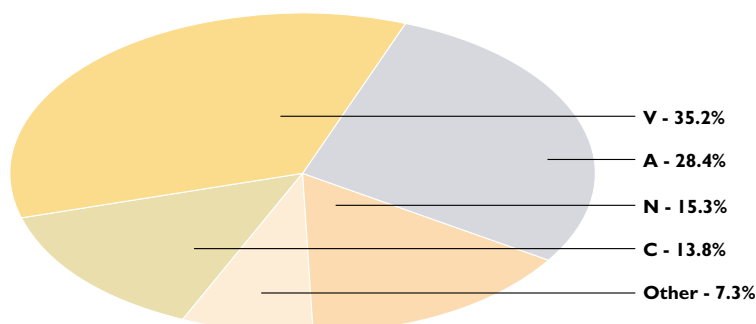


Major Therapeutic Classification		€m	%
A	Alimentary Tract and Metabolism	48.27	16.8
B	Blood and Blood Forming Organs	6.25	2.2
C	Cardiovascular System	63.30	22.0
D	Dermatologicals	11.10	3.9
G	Genito Urinary System and Sex Hormones	21.39	7.4
H	Systemic Hormonal Preps. excl. Sex Hormones	2.29	0.8
J	General Anti-infectives for Systemic Use	16.19	5.6
L	Antineoplastic and Immunomodulating Agents	3.37	1.2
M	Musculo-Skeletal System	18.25	6.4
N	Nervous System	45.70	15.9
P	Antiparasitic Products	0.35	0.1
R	Respiratory System	36.29	12.6
S	Sensory Organs	3.32	1.1
V	Ostomy Requisites	3.67	1.3
	Urinary Requisites	1.11	0.4
	Clinical Nutritional Products	4.92	1.7
	Dressings	0.55	0.2
	Diagnostic Products	0.58	0.2
	Needles/Syringes/Lancets	0.10	0.0
	Miscellaneous	0.49	0.2
Total		€287.49m	100%

Note: The above costs are inclusive of the monthly payment of €65 payable to the Pharmacy by an individual or family.

Major Therapeutic Classification of Drugs, Medicines and Appliances - Long Term Illness Scheme

National - 2002



Major Therapeutic Classification		€m	%
A	Alimentary Tract and Metabolism	17.48	28.4
B	Blood and Blood Forming Organs	0.56	0.9
C	Cardiovascular System	8.52	13.8
D	Dermatologicals	0.12	0.2
G	Genito Urinary System and Sex Hormones	0.44	0.7
H	Systemic Hormonal Preps. excl. Sex Hormones	0.56	0.9
J	General Anti-infectives for Systemic Use	1.80	2.9
L	Antineoplastic and Immunomodulating Agents	0.07	0.1
M	Musculo-Skeletal System	0.51	0.8
N	Nervous System	9.42	15.3
P	Antiparasitic Products	0.00	0.0
R	Respiratory System	0.41	0.7
S	Sensory Organs	0.10	0.1
V	Diagnostic Products	13.58	22.1
	Clinical Nutritional Products	4.36	7.2
	Needles/Syringes/Lancets/Swabs	2.11	3.4
	Nutritional/Ancillary Devices	0.49	0.8
	Urinary Requisites	0.52	0.8
	Ostomy Requisites	0.15	0.2
	Dressings	0.13	0.2
	Miscellaneous	0.31	0.5
Total		€61.64m	100%

Summary of Statistical Information relating to the GMS Scheme for each of the five years 1998-2002

	2002	2001	2000	1999	1998
Number of Eligible Persons in December	1,168,745	1,199,454	1,148,055	1,164,187	1,183,554
Doctors	(000's)	(000's)	(000's)	(000's)	(000's)
Total Payments	€271,939	€203,863	€165,975	€151,292	€156,108
Doctors' Payment per Person	€221.15	€169.46	€138.43	€123.18	€124.18
Pharmacies	(000's)	(000's)	(000's)	(000's)	(000's)
Total Cost of Prescriptions	€537,874	€422,464	€328,348	€281,699	€248,988
Ingredient Cost	€423,269	€329,497	€262,881	€223,209	€194,652
Dispensing Fee	€104,827	€85,413	€59,325	€52,843	€49,204
VAT	€9,778	€7,554	€6,142	€5,647	€5,132
Number of Forms	11,551	10,454	9,737	9,631	9,475
Number of Items	29,500	25,521	22,882	21,679	20,696
Cost per Form	€46.57	€40.41	€33.72	€29.24	€26.28
Cost per Item	€18.24	€16.55	€14.35	€12.99	€12.02
Ingredient Cost per Item	€14.35	€12.91	€11.49	€10.30	€9.41
Items per Form	2.55	2.44	2.35	2.25	2.18
Total Cost of Stock Orders	(000's)	(000's)	(000's)	(000's)	(000's)
Total Cost of Stock Orders	€13,018	€11,555	€10,455	€9,452	€8,963
Ingredient Cost	€10,059	€8,945	€8,072	€7,282	€6,900
Pharmacy Fees	€2,515	€2,222	€2,019	€1,820	€1,726
VAT	€444	€388	€364	€350	€337
Overall Cost of Medicines	(000's)	(000's)	(000's)	(000's)	(000's)
Overall Cost of Medicines	€550,892	€434,019	€338,803	€291,151	€257,951
Pharmacy Payment per Person	€457.93	€371.08	€292.61	€246.39	€213.82
Overall Payments	€822,831	€637,882	€504,778	€442,443	€414,059
Overall Payment per Person	€679.08	€540.54	€431.04	€369.57	€338.00

Doctors' payment per person is exclusive of superannuation paid to retired DMOs.

Summary of Statistical Information relating to the LTI Scheme for each of the five years 1998-2002 and the DP Scheme for the years 2000-2002

	2002	2001	2000	1999	1998
LTI Scheme					
Number of Eligible Persons in December	92,745	87,988	82,619	76,848	71,440
Average Number of Claimants	31,422	30,165	27,382	26,885	25,712
	(000's)	(000's)	(000's)	(000's)	(000's)
Number of Items	1,280	1,157	988	877	834
Total Cost	€61,636	€52,081	€41,736	€34,548	€29,507
Cost per Item	€48.15	€44.98	€42.26	€39.39	€35.40
Cost per Claimant	€1,961.55	€1,726.52	€1,524.24	€1,285.04	€1,147.61
Cost per Person	€677.37	€608.16	€524.00	€465.84	€426.20
DP Scheme					
Number of Eligible Persons in December	1,319,395	1,156,836	942,193		
Average Number of Claimants	205,578	199,546	155,638		
	(000's)	(000's)	(000's)		
Number of Items	9,063	8,985	7,776		
Gross Cost	€287,489	€262,187	€212,087		
Net Cost	€192,366	€177,617	€140,598		
Gross Cost per Item	€31.72	€29.18	€27.27		
Gross Cost per Claimant	€1,398.44	€1,313.92	€1,362.70		
Net Cost per Claimant	€935.73	€890.10	€903.37		
Net Cost per Person	€145.80	€153.54	€175.74		

Fees and Allowances under Capitation Agreement

Capitation Fees as at 31st December 2002

Ages	Up to 3 Miles		3-5 Miles		5-7 Miles		7-10 Miles		Over 10 Miles	
	Male €	Female €	Male €	Female €	Male €	Female €	Male €	Female €	Male €	Female €
Up to 4	62.78	61.31	65.95	64.51	70.63	69.21	75.29	73.88	81.07	79.61
5 - 15	37.65	38.05	38.99	39.38	40.90	41.36	42.79	43.22	45.16	45.53
16 - 44	47.25	75.43	48.97	77.13	51.49	79.65	53.99	81.73	57.02	85.19
45 - 64	91.48	100.23	95.57	104.33	101.64	110.37	107.61	116.37	115.04	123.76
65 - 69	96.22	107.00	107.62	118.42	124.56	135.34	141.19	151.98	161.87	172.69
70 and over	99.25	110.36	110.98	122.15	128.50	139.61	145.69	156.83	167.02	178.19

Above rates inclusive of supplementary Out-of-Hours Fee.

The Capitation rate is €480.64 per annum for persons aged 70 years and over in the community issued with a medical card for the first time regardless of income. A Capitation rate of €696.58 per annum will apply to anyone aged 70 years and over in a private nursing home (approved by a Health Board) for any continuous period of five weeks.

<p>Out-of-Hours Payment</p> <p><i>Surgery</i> €36.22</p> <p><i>Domiciliary</i></p> <p>Up to 3 miles €36.22</p> <p>3 - 5 miles €48.33</p> <p>5 - 7 miles €54.42</p> <p>7 - 10 miles €60.39</p> <p>Over 10 miles €72.49</p> <p>Additional Fee €28.29</p> <p>*Special Items of Service</p> <p>(i) to (ix) €22.65</p> <p>(x) and (xi) €33.99</p> <p>(xii) €56.66</p> <p>(xiii) €39.27</p> <p>(xiv) €62.86</p> <p>(xv) and (xvi) €31.18</p> <p>(xvii) €46.79</p> <p>(xviii) €112.44</p> <p>+Mileage</p> <p>Temporary Residents</p> <p><i>Surgery</i> €36.22</p> <p><i>Domiciliary</i></p> <p>Up to 3 miles €36.22</p> <p>3 - 5 miles €48.33</p> <p>5 - 7 miles €54.42</p> <p>7 - 10 miles €60.39</p> <p>Over 10 miles €72.49</p> <p>Rural Dispensing Fee €32.30</p> <p>Fee for Second Medical Opinion €24.17</p>	<p>Practice Payments for Rural Areas</p> <p>Rural Practice Allowance Per Annum €14,867.70</p> <p>Practice Support</p> <p>Allowance for Practice Secretary up to a maximum Per Annum of €19,894.27</p> <p>Allowance for Practice Nurse up to a maximum Per Annum of €31,262.43</p> <p>Contributions to Locum Expenses (Subject to the conditions of the Agreement)</p> <p>Annual Leave _____ Up to a maximum of _____</p> <p>Sick Leave _____ €1,261.19 per week</p> <p>Study Leave _____ Up to a maximum of _____</p> <p>Maternity Leave _____ €180.17 per day</p> <p>Contributions to Medical Indemnity Insurance</p> <p>Calculation of contribution is related to GMS panel numbers and net premium.</p> <p>Asylum Seekers</p> <p>A one off superannuable registration fee of €139.32 per relevant patient will be paid to Doctors in respect of each such patient on their GMS Scheme panels.</p>	<p>* Special Items of Service.</p> <p>(i) Excisions/Cryotherapy/ Diathermy of Skin Lesions.</p> <p>(ii) Suturing of Cuts and Lacerations.</p> <p>(iii) Draining of Hydroceles.</p> <p>(iv) Treatment and Plugging of Dental and Nasal Haemorrhages.</p> <p>(v) Recognised Vein Treatment.</p> <p>(vi) ECG Tests and their Interpretation.</p> <p>(vii) Instruction in the fitting of a Diaphragm.</p> <p>(viii) Removal of Adherent Foreign Bodies from the Conjunctival Surface of the Eye.</p> <p>(ix) Removal of Lodged or Impacted Foreign Bodies from the Ear, Nose and Throat.</p> <p>(x) Nebuliser Treatment in the case of Acute Asthmatic Attack.</p> <p>(xi) Bladder Catheterization.</p> <p>(xii) Attendance at case conferences (in cases where such are convened by a DCC/MOH).</p> <p>(xiii) Advice and Fitting of a Diaphragm.</p> <p>(xiv) Counselling and Fitting of an IUCD.</p> <p>(xv) Pneumococcal Vaccination.</p> <p>(xvi) Influenza Vaccination.</p> <p>(xvii) Pneumococcal/Influenza Vaccination.</p> <p>(xviii) Hepatitis B Vaccination.</p>
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Fees and Allowances under the Fee-Per-Item Agreement and Fees under the Immunisation Scheme, Health (Amendment) Act 1996 and Methadone Treatment Scheme

		As at 31st December 2002	
Surgery Consultations			
Day	Normal Hours	€9.98	
Late	Outside Normal Hours other than (Night)	€14.19	
Night	Midnight to 8.00 a.m.	€28.07	
Domiciliary Consultations			
Day	Normal Hours		
	Urban	€14.73	
	Up to 3 miles	€14.73	
	3-5 miles	€19.28	
	5-7 miles	€25.89	
	7-10 miles	€32.46	
	Over 10 miles	€40.59	
Late	Outside Normal Hours		
	Urban	€19.28	(ii) Suturing of Cuts and Lacerations.
	Up to 3 miles	€19.28	(iii) Draining of Hydroceles.
	3-5 miles	€24.92	(iv) Treatment and Plugging of Dental and Nasal Haemorrhages.
	5-7 miles	€32.46	(v) Recognised Vein Treatment.
	7-10 miles	€43.12	(vi) ECG Tests and their Interpretation.
	Over 10 miles	€50.58	(vii) Instruction in the fitting of a Diaphragm.
Night	Midnight to 8.00 a.m.		
	Urban	€37.79	(viii) Pneumococcal Vaccination.
	Up to 3 miles	€37.79	(ix) Influenza Vaccination.
	3-5 miles	€48.57	(x) Pneumococcal/Influenza Vaccination.
	5-7 miles	€61.44	(xi) Hepatitis B Vaccination.
	7-10 miles	€68.58	
	Over 10 miles	€74.44	
Emergency Fee/EEA Fee (Additional to Standard Fee)		€10.91	
Dispensing Fee		€10.91	
Rural Practitioner's Allowance			
Per Annum		€6,433.58	
Locum and Practice Expense Allowance			
Per Annum		€1,252.45	
Sessional Rate - Homes for the Aged			
Per 3 Hour Session		€66.84	
*Special Items of Service			
	(i) to (vii)	€20.50	
	(viii) and (ix)	€31.18	
	(x)	€46.79	
	(xi)	€112.44	
Immunisation Fees			
(i)	Registration of child with a GP	€32.70	
(ii)	Complete course of immunisation against DPT/DT; Hib; Polio and MMR	€108.94	
(iii)	95% uptake bonus	€52.48	
Health (Amendment) Act 1996			
Surgery Fee		€31.22	
Domiciliary Fee		€41.16	
Methadone Treatment Scheme			
Patient Care Fee - up to a maximum per month of		€105.81	

Scale of Fees Payable to Participating Pharmacists as at 31st December 2002

GMS Scheme		c
Standard Fee-Per-Item (Note 1)		298.00
Extemporaneous Fee		570.02
Extemporaneous dispensing and compounding of		
- Powders		1,710.05
- Ointments and Creams		1,140.03
Controlled Drugs		460.18
Non-Dispensing - Exercise of professional judgement		285.01
Phased Dispensing - each part of phased dispensing		285.01
Urgent/Late Dispensing		
Additional fee for Urgent/Late dispensing other than between midnight and 8.00 a.m. (Note 2)		793.62
Additional fee for Urgent/Late dispensing between midnight and 8.00 a.m.		1,639.14
Note 1	<i>253.71c basic fee and 44.28c allowance for containers, obsolescence etc.</i>	
Note 2	<i>Urgent fee prescriptions are those so specified by the prescriber and necessarily dispensed outside normal hours. Late fee prescriptions are those which, though not marked urgent, are in exceptional circumstances necessarily dispensed outside normal hours by the Pharmacist, having regard to the person's requirements.</i>	
Note 3	<i>A Standard Fee-Per-Item is also payable on prescription forms issued by Dentists under the DTS Scheme.</i>	
Supplies to Dispensing Doctors		
<i>Pharmacies supplying Dispensing Doctors are reimbursed on the basis of the basic trade price with the addition of 25% on cost.</i>		
DP/LTI/EEA Schemes and Health (Amendment) Act 1996		
Reimbursement of ingredient cost plus 50% mark-up on ingredient cost plus Standard Fee - 259c (Note 1)		
20% mark-up on Incontinence Products and Dressings under DP Scheme		
Extemporaneously dispensed preparations are reimbursed at current private prescription rates. In the case of the Drugs Payment Scheme the Board makes payments to Pharmacies in respect of authorised Patients whose monthly costs of prescribed drugs and medicines are in excess of the specified monthly amount (currently €65) payable to the Pharmacy by an individual or family.		
Note 1	<i>The standard fee is an all inclusive fee which includes container and broken bulk allowance.</i>	
High Tech Medicines Scheme		
Patient Care Fee: €49.64 per month.		
Methadone Treatment Scheme		
Patient Care Fee: Up to a Maximum of €49.59 per month.		

Scale of Fees Payable under the Dental Treatment Services Scheme

Treatment Type	As at 31st December 2002 Routine €
Oral Examination	26.22
Prophylaxis	24.63
Restoration (Amalgam)	39.62
Restoration (Composite) 6 anterior teeth only	41.07
Exodontics (Extraction under local anaesthetic)	31.30
Surgical Extraction - Maximum 3 units:	
Fee payable for each 15 minute unit	27.87
Maximum	83.61
1st Stage Endodontic Treatment (Anterior teeth only)	45.35
Denture Repairs	
1st Item of Repair	36.06
Each Subsequent Item	11.56
Maximum	59.18
Apicectomy/Amputation of Roots	*Dentist Estimate
Endodontics (Anterior teeth only)	*Dentist Estimate
Protracted Periodontal Treatment	*Dentist Estimate
Radiographs	
1 Film	19.61
2 or more Films	29.65
Panoramic	32.82
Miscellaneous	
(e.g. Biopsy, Haemorrhage, Dressings etc.)	17.93
Prosthetics	
Full Upper or Lower Denture (Other than Edentulous Persons)	245.82
Partial Upper or Lower Acrylic Denture	180.30
Complete Upper or Lower Reline	98.40
Complete Upper and Lower Reline	163.80
Full Upper and Lower Denture (Edentulous Persons Only)	360.74

* Dentist Estimates are subject to agreement between a Dentist and a Health Board.

Scale of Fees Payable under the Health Board Community Ophthalmic Services Scheme

As at 31st December 2002			
Examinations	€		€
Eye Examination Ophthalmic Optician	19.75		
Eye Examination Ophthalmologist/ Ophthalmic Medical Practitioner	22.41		
Medical Eye Examination by Ophthalmologist	44.81		
Eye Examination for Contact Lenses (Grant)	62.00(H)		
Appliances			
Single Vision Complete Appliances			
Spectacles - Distance	43.09		
Spectacles - Reading	43.09		
Spectacles - Uncollected	30.23		
Contact Lenses			
Contact Lenses Standard or Disposable per pair (Grant)	66.96(H)		
Single Vision Spectacles - with Glass Lenses Distance	113.50(H)		
Single Vision Spectacles - with Glass Lenses Reading	113.50(H)		
Single Vision Spectacles - with Plastic Lenses Distance	123.23(H)		
Single Vision Spectacles - with Plastic Lenses Reading	123.23(H)		
Single Vision Lenses to Own Frame			
Replacement Distance Lens (1) to own frame	16.75		
Replacement Distance Lenses (2) to own frame	33.49		
Replacement Reading Lens (1) to own frame	16.75		
Replacement Reading Lenses (2) to own frame	33.49		
Other Items - Single Vision			
Lenticular Lens (1 Surface)	11.74		
Lenticular Lenses (2 Surfaces)	23.47		
Lenticular Lenses (3 Surfaces)	35.21		
Lenticular Lenses (4 Surfaces)	46.95		
Tinted Lens (1)	7.59		
Tinted Lenses (2)	15.16		
Tinted Lenses (3)	22.75		
Tinted Lenses (4)	30.32		
Prism (1)	6.35		
Prisms (2)	12.71		
Prisms (3)	19.06		
Prisms (4)	25.41		
Prisms (5)	31.76		
Prisms (6)	38.12		
Prisms (7)	44.47		
Prisms (8)	50.82		
		Dioptric powers higher than 8.00 (1) Lens	6.15
		Dioptric powers higher than 8.00 (2) Lenses	12.29
		Dioptric powers higher than 8.00 (3) Lenses	18.44
		Dioptric powers higher than 8.00 (4) Lenses	24.59
		Anti-Reflective Coating on Plastic Lens (1)	18.34(H)
		Anti-Reflective Coating on Plastic Lenses (2)	36.68(H)
		Dioptric powers higher than 6.00 (Plastic) (1) Lens	15.37
		Dioptric powers higher than 6.00 (Plastic) (2) Lenses	30.73
		Dioptric powers higher than 6.00 (Plastic) (3) Lenses	46.10
		Dioptric powers higher than 6.00 (Plastic) (4) Lenses	61.47
		Plastic Lens (1) for children as prescribed	4.86
		Plastic Lenses (2) for children as prescribed	9.73
		Plastic Lens (1) Adult	4.86(H)
		Plastic Lenses (2) Adult	9.73(H)
		Bifocals	
		Spectacles Bifocal Complete	86.20
		Fused Bifocal Spectacles	156.67(H)
		Varifocals Spectacles - Glass or Plastic (Grant)	166.45(H)
		Bifocal Lenses	
		Replacement Bifocal Lens (1) to own frame	38.33
		Replacement Bifocal Lenses (2) to own frame	76.68
		Varifocal Lens (1) (Grant)	43.22(H)
		Varifocal Lenses (2) (Grant)	86.44(H)
		Other Items - Bifocals	
		Sphere over 6.00 and up to 9.00 extra charge (1) Lens	4.15
		Sphere over 6.00 and up to 9.00 extra charge (2) Lenses	8.30
		Sphere over 9.00 extra charge (1) Lens	9.22
		Sphere over 9.00 extra charge (2) Lenses	18.44
		Tinted Lens (1)	8.36
		Tinted Lenses (2)	16.70
		Prism (1)	8.89
		Prisms (2)	17.79
		Repairs	
		Replacement Frame to own lenses	12.92
		Replacement Front to own lenses	6.22
		Replacement Side (1) to own frame	2.61
		Replacement Side (2) to own frame	5.23
		Complete New Frames	80.00(H)

**Financial
Statements
for year ended
31st December
2002**



General Medical Services (*Payments*) Board
An Bord Seirbhísí Liachta Ginearálta (Iocaíochtaí)

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General Medical Services (Payments) Board and Other Information

Board Members

Ms. M. Windle	Northern Area Health Board (<i>Chairman</i>)
Mr. S. Mannion	Western Health Board (<i>Vice Chairman</i>)
Mr. T. Kelly	North Western Health Board
Mr. T. Hourigan	Mid-Western Health Board
Mr. R. Dooley	South Eastern Health Board
Mr. G. Day	North Eastern Health Board
Mr. P. Healy	Southern Health Board
Mr. P. Marron	Midland Health Board
Ms. B. Clarke	South Western Area Board
Mr. D. Moloney	Department of Health & Children
Mr. T. McGuinn	Department of Health & Children
Mr. B. Carey	Department of Health & Children

Chief Officer

Mr. P. Burke

Auditor

Comptroller & Auditor General
Dublin Castle
Dublin 2

Bankers

Bank of Ireland
Phibsborough
Dublin 7

Solicitors

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

Statement of Board Members' Responsibilities for year ended 31st December 2002

The Board is required by the General Medical Services (Payments) Board (Establishment) Order, 1972 to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the General Medical Services (Payments) Board and of the income and expenditure for that period.

In preparing those statements, the Board is required to –

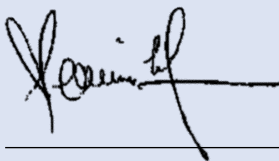
- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- disclose and explain any material departures from applicable accounting standards
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the General Medical Services (Payments) Board will continue in existence.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the General Medical Services (Payments) Board and which enable it to ensure that the financial statements comply with the Order. It is also responsible for safeguarding the assets of the General Medical Services (Payments) Board and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Maureen Windle, *Chairman*



Seamus Mannion, *Vice Chairman*

Accounting Policies

The Board was set up to make payments on behalf of the Health Boards for general practitioner and pharmaceutical services and dental treatment, which the Health Boards provide to qualifying persons under the Health Act 1970. The Board is reimbursed its direct costs together with the administration costs incurred in operating the payments service as set out in Note 1 to the Accounts.

1. Basis of Accounting

The accounts have been prepared on an accruals basis to reflect the costs of medicines and medical services provided, and the administration costs incurred in the year, and the matching income receivable to fund these costs.

2. Doctors' Fees and Allowances

Most services from doctors are provided under an agreement concluded in 1989. Fees are mainly based on capitation taking into account the age of the patient and the distance from the surgery.

3. Pharmaceutical Services

Payments to pharmacists are made under a service agreement with Health Boards concluded in 1996. This agreement covers medical card holders and other schemes. With effect from 1996 claims have been subject to third party confirmation.

4. Dental Treatment Services Scheme

Payments under this heading comprise amounts paid to dentists operating as private practitioners in respect of dental treatment provided for GMS patients. The balance of such treatment is provided directly by Health Boards.

5. Health Board Community Ophthalmic Services Scheme

Payments under this heading comprise amounts paid from 1st July 1999 to optometrists and ophthalmologists operating as private practitioners in respect of examinations and appliances provided to adult GMS patients. Services for children are separately provided for by Health Boards.

6. Fixed Assets and Depreciation

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is provided for on all fixed assets in order to write off the cost or valuation of the assets over their anticipated useful lives. The following rates of Depreciation have been applied on a straight line basis.

Furniture, Fixtures & Fittings	10%
Information Technology	20%
Library	10%
Office Equipment	10%

7. Superannuation

Staff

A Superannuation Scheme operated by the Board is in accordance with the Local Government Superannuation Act, 1956 as amended. Benefits are met from current income as they arise. Superannuation deductions are retained by the Board and included in Other Income.

The Board operates a defined benefit Superannuation Scheme for its employees. Superannuation entitlements arising under the Scheme are paid out of current income. Superannuation entitlements are charged to the Income and Expenditure Account in the year in which they become payable. No provision is made in the financial statements in respect of future benefits. Salaries and Wages are charged in the financial statements net of employee superannuation contributions.

The above accounting treatment is not in accordance with the requirements of Financial Reporting Standard (FRS) 17

- which will require financial statements to reflect at fair value the assets and liabilities arising from an employer's superannuation obligations
- and also any related funding and to recognise the costs of providing superannuation benefits in the accounting periods in which they are earned by employees.

As a transitional measure the Standard requires that the present value of the Scheme's liabilities be disclosed in the notes to the 2001 financial statements. In 2002 the Board was not in a position to comply with the requirements of FRS 17 as it did not obtain an actuarial valuation of the Scheme's liabilities. The Board has taken steps to ensure that it will be able to comply with requirements of the Standard in future years.

Doctors

A contribution of 10% of capitation payments is made by the Board towards the superannuation of participating doctors.

Income and Expenditure Account for year ended 31st December 2002

	Notes	2002 €	2001 €
Income			
Recoupment from Department of Health & Children and Health Boards	1	1,263,529,811	1,028,010,807
Rebate from Pharmaceutical Manufacturers		11,069,179	8,182,500
Other Income	2	425,972	384,448
Total Income		1,275,024,962	1,036,577,755
Expenditure			
Administration	3	12,626,062	11,568,611
Doctors' Fees and Allowances	4	292,977,176	226,809,107
Pensions paid to former DMO's or Dependents	5	5,896,994	5,650,355
Pharmaceutical Services	6	900,894,605	739,021,743
Dental Treatment Services Scheme	7	45,749,245	42,064,281
Community Ophthalmic Services Scheme	8	14,466,661	9,741,291
Depreciation	10	763,863	685,415
Total Expenditure		1,273,374,606	1,035,540,803
Surplus/(Deficit) for year		1,650,356	1,036,952
Accumulated fund at 1st January		7,924,546	6,887,594
Accumulated fund at 31st December		9,574,902	7,924,546

Notes 1-16 form part of these accounts

Balance Sheet as at 31st December 2002

		2002		2001	
	Notes	€	€	€	€
Fixed Assets	10		2,064,706		2,119,385
Current Assets					
Debtors	11	179,388,108		201,011,543	
Stocks on Hand	12	7,485,129		5,780,095	
Cash		218		218	
		<u>186,873,455</u>		<u>206,791,856</u>	
Current Liabilities					
Creditors	13	175,729,336		165,735,741	
Bank		3,633,923		35,250,954	
		<u>179,363,259</u>		<u>200,986,695</u>	
Net Current Assets			<u>7,510,196</u>		<u>5,805,161</u>
Net Assets			<u>9,574,902</u>		<u>7,924,546</u>
Represented by:					
Accumulated Fund			<u>9,574,902</u>		<u>7,924,546</u>

Notes 1-16 form part of these accounts

Cash Flow Statement for year ended 31st December 2002

	Note	2002 €	2001 €
Net Cash (Outflow)/Inflow from Operating Activities	(A)	32,326,215	(10,776,265)
Investing Activities			
Purchase of Fixed Assets		(709,184)	(1,411,290)
(Decrease)/Increase in Cash and Cash Equivalents	(B)	<u><u>31,617,031</u></u>	<u><u>(12,187,555)</u></u>

(A) Analysis of Net Cash Inflow/(Outflow) from Operating Activities

	2002 €	2001 €
Operating Surplus/(Deficit)	1,650,356	1,036,952
Depreciation Charges	763,863	685,415
(Increase)/Decrease in Debtors	21,623,435	(29,367,593)
(Increase)/Decrease in Stocks on Hand	(1,705,034)	(311,077)
Increase/(Decrease) in Creditors	9,993,595	17,180,038
Net Cash (Outflow)/Inflow from Operating Activities	<u><u>32,326,215</u></u>	<u><u>(10,776,265)</u></u>

(B) Reconciliation of Increase/(Decrease) in cash and cash equivalents as shown in the Balance Sheet

	2002 €	2001 €	Change in Year
Bank	(3,633,923)	(35,250,954)	31,617,031
Cash in Hand	218	218	-
	<u><u>(3,633,705)</u></u>	<u><u>(35,250,736)</u></u>	<u><u>31,617,031</u></u>

Notes to the Financial Statements

1. Recoupment from Department of Health & Children/Health Boards

The Health Boards fund the cost of the following Schemes administered by the Board: Drugs Payment Scheme/Long Term Illness Scheme/Ophthalmic Services Scheme/Dental Treatment Services Scheme/Childhood and GMS Immunisation Schemes/High Tech Drugs Scheme in respect of Non-GMS patients and Methadone Scheme. Funding for the other schemes and services administered by the Board, as well as the Boards' administration costs, is provided by the Department of Health & Children, on behalf of the Health Boards. The sums provided were:

	2002	2001
	€	€
Department of Health & Children	882,411,130	712,834,052
Health Boards	381,118,681	315,176,755
	<u>1,263,529,811</u>	<u>1,028,010,807</u>

2. Other Income

	2002	2001
	€	€
Superannuation deductions GMS Staff	137,721	130,464
Superannuation deductions former District Medical Officers and Dependants	19,974	22,440
Bank Interest and Sundries	268,277	231,544
	<u>425,972</u>	<u>384,448</u>

3. Administration Expenditure

	2002	2001
	€	€
Staff Remuneration	4,653,652	4,067,758
Health Board Stationery	695,108	1,154,980
Computer Development	2,475,638	2,753,544
Premises Rent and Services	361,109	326,397
Office Supplies, Printing and Stationery	1,863,720	1,119,984
Bank Interest/Charges	25,475	51,574
Repairs and Maintenance (Equipment & Premises)	177,060	61,315
Postage and Telephone	403,413	401,732
Journals and Periodicals	352,528	94,973
Medical Training Courses	-	-
Legal Expenses	41,594	(317)
Audit Fee	(7,066)	44,850
Bad Debts/Bad Debts Provision	-	-
Sundry Administration	1,583,831	1,491,821
	<u>12,626,062</u>	<u>11,568,611</u>

Notes to the Financial Statements

4. Doctors' Fees & Allowances	2002	2001
	€	€
Fees		
Capitation	148,955,173	96,340,270
Board's contribution to Doctors' Superannuation Scheme	15,037,925	9,867,472
Special Type Consultations/Special Services	20,020,128	18,509,934
Out-of-Hours Fees	20,314,057	18,654,394
Fee-Per-Item Services	1,975,703	1,809,107
Dispensing Fees	1,663,491	2,161,778
Registration/Vaccination Fees	5,202,437	7,616,009
Methadone	2,436,251	1,953,775
Other Payments	180,109	202,045
	<u>215,785,274</u>	<u>157,114,784</u>
Allowances		
Leave (Annual/Sick/Study/Maternity)	7,663,785	7,469,401
Rural Practice Allowance	2,731,054	2,396,710
Practice Support	30,811,048	26,650,257
Rostering/Out-of-Hours Payments	6,514,614	6,527,020
Practice Equipment Payment	4,343,029	4,351,202
Locum & Practice Expenses	64,315	49,792
Medical Indemnity Insurance	1,614,281	1,539,159
Practice Support Grant	2,259,098	2,100,798
Drug Target Refunds	18,189,653	16,390,848
IMO Agreement:		
Trainers/Trainees/One in One Rotas	1,225,139	634,869
	<u>75,416,016</u>	<u>68,110,056</u>
Salaries		
Salaries and Lump Sums to District Medical Officers	1,775,886	1,584,267
Total Doctors' Fees & Allowances	<u>292,977,176</u>	<u>226,809,107</u>

5. Payments to Former District Medical Officers/Dependants

The Board made superannuation payments to 277 former District Medical Officers or their dependants. These payments arose from the officer status with Health Boards of the Doctors and their entitlement to hold General Practitioner contracts.

6. Pharmaceutical Services	2002	2001
	€	€
Pharmacists' GMS Claims	551,469,833	434,330,996
DPS/LTI Claims	258,209,800	233,844,038
European Economic Area Claims	1,542,543	1,482,672
High Tech Claims	83,144,142	63,791,527
Other Payments	1,040,368	883,161
Methadone Treatment Claims	5,487,919	4,689,349
	<u>900,894,605</u>	<u>739,021,743</u>

Notes to the Financial Statements

7. Dental Treatment Services Scheme

	2002	2001
	€	€
Emergency	-136	8,144
Routine Dental Treatments	43,779,248	38,241,457
Denture Claims	1,951,682	3,792,070
Laboratory Claims	-	-
Other Payments	18,451	22,610
	<u>45,749,245</u>	<u>42,064,281</u>

8. Community Ophthalmic Services Scheme

Fees	7,621,822	4,821,296
Appliances	6,844,839	4,919,995
	<u>14,466,661</u>	<u>9,741,291</u>

9. Leasehold Premises

The Board's office premises are held on a 35 year lease dated 1st December 1974 from Calvinia Ltd. The annual rent is €177,763, effective from 1st December 1999, with 5 year rent reviews. The matter of securing a valuation of the Board's leasehold interest, with a view to its inclusion in the Balance Sheet was examined. In the absence of any quantifiable benefit to the Board the cost of a valuation could not be justified at this time.

10. Fixed Assets

	Furniture Fixtures Fittings	Information Technology	Library	Office Equipment	Total
Cost	€	€	€	€	€
Cost at 1.1.02	633,744	4,922,376	2,223	103,880	5,662,223
Additions	7,491	660,092	-	41,601	709,184
	<u>641,235</u>	<u>5,582,468</u>	<u>2,223</u>	<u>145,481</u>	<u>6,371,407</u>
Depreciation					
Accumulated Depreciation at 1.1.02	566,047	2,938,843	1,772	36,176	3,542,838
Depreciation for Year ended 31.12.02	15,845	733,356	114	14,548	763,863
	<u>581,892</u>	<u>3,672,199</u>	<u>1,886</u>	<u>50,724</u>	<u>4,306,701</u>
Net Book Value at 31.12.02	<u>59,343</u>	<u>1,910,269</u>	<u>337</u>	<u>94,757</u>	<u>2,064,706</u>
Net Book Value at 31.12.01	<u>67,697</u>	<u>1,983,533</u>	<u>451</u>	<u>67,704</u>	<u>2,119,385</u>

Notes to the Financial Statements

11. Debtors

	2002	2001
	€	€
Department of Health & Children and Health Boards	153,062,724	174,432,219
Rebates due from Pharmaceutical Manufacturers	5,740,473	4,694,533
Advance Payments to Pharmacists	20,429,208	21,357,631
Sundry Debtors	155,703	527,160
	<u><u>179,388,108</u></u>	<u><u>201,011,543</u></u>

12. Stocks on Hand

Dispensing Doctors' Stocks	1,788,465	1,652,344
High Tech Stocks	5,696,664	4,127,751
	<u><u>7,485,129</u></u>	<u><u>5,780,095</u></u>

13. Creditors

Doctors'/Fees Salaries	61,470,452	60,392,083
Pharmacists' Claims	105,112,006	95,908,939
Dental Treatment Services Scheme	2,950,957	3,094,676
Community Ophthalmic Services Scheme	861,427	849,748
Sundry Creditors	5,334,494	5,490,295
	<u><u>175,729,336</u></u>	<u><u>165,735,741</u></u>

14. Indicative Drug Target Scheme - Cumulative Savings

The following table gives a breakdown of the cumulative savings made and the amounts paid under the Indicative Drug Target Savings Scheme.

Savings Generated	General		Total
	Health Board	Practitioner	
	€	€	€
Eastern Regional Boards	5,102,205	31,038,318	36,140,523
Midland	1,110,971	5,471,872	6,582,843
Mid-Western	1,619,815	7,495,336	9,115,151
North Eastern	1,610,669	8,858,660	10,469,329
North Western	2,196,609	13,522,216	15,718,825
South Eastern	2,850,942	12,853,007	15,703,949
Southern	2,746,742	15,015,624	17,762,366
Western	3,081,754	16,849,646	19,931,400
Research & Education Fund	-	-	1,937,969
National Savings	<u><u>20,319,707</u></u>	<u><u>111,104,679</u></u>	<u><u>133,362,355</u></u>

Notes to the Financial Statements

14. Indicative Drug Target Scheme - Cumulative Savings (continued)

The following table gives a breakdown of the cumulative savings made and the amounts paid under the Indicative Drug Target Savings Scheme.

Payments	Health Board	General Practitioner	Total
	€	€	€
Eastern Regional Boards	4,178,200	15,018,072	19,196,272
Midland	1,038,504	3,142,050	4,180,554
Mid-Western	1,559,134	4,938,209	6,497,343
North Eastern	1,401,439	5,685,242	7,086,681
North Western	1,651,449	10,296,610	11,948,059
South Eastern	2,831,634	8,780,582	11,612,216
Southern	2,194,649	9,652,590	11,847,239
Western	2,094,637	8,683,971	10,778,608
Research & Education Fund	-	-	1,503,443
National Savings Distributed	16,949,646	66,197,326	84,650,415
Balance of Savings at 31st December 2002	3,370,061	44,907,353	48,711,940

15. Prompt Payment of Accounts Act, 1997 - Statement By Responsible Officer

The Prompt Payment of Accounts Act, 1997 came into operation on 2nd January 1998. The General Medical Services (Payments) Board comes under the remit of the Act. The payment practices of the Board are reported on below for the year ended 31st December 2002, in accordance with Section 12 of the Act.

- It is the policy of the Board to ensure that all payments are made promptly.
- The system of internal control incorporates such procedures as are considered necessary to ensure compliance with the Act. The Board's system of internal control includes accounting controls designed to ensure identification of contracts and invoices due for payment within the prescribed payment dates defined by the Act. These controls are designed to provide reasonable and not absolute assurance against material non-compliance with the Act.
- The total amount of Prompt Payment of Accounts Act interest paid by the Board in 2002 was €10,675.

16. Basis of Preparation

The Board's Financial Statements are presented subject to Audit.

The Financial Statements are prepared on the basis of the payment year January to December with the inclusion of accruals for both income and expenditure.

The statistical data and associated financial values are prepared on the basis of payments made in the 12 months March to February which relates to claims for the calendar year January to December, accruals are not provided.

