



Feidhmeannacht na Seirbhíse Sláinte  
Health Service Executive

Oifig an Stiúrthóra Náisiúnta, Acmhainní Daonna  
Feidhmeannacht na Seirbhíse Sláinte  
Ospidéal Dr. Steevens'  
Baile Átha Cliath 8

Office of the National Director of Human Resources  
Health Service Executive  
Dr. Steevens' Hospital  
Dublin 8

**Memorandum**

**To:** Each Member Leadership Team, HSE;  
Each CEO Hospital Group, HSE;  
Each CEO Section 38 Agency;  
Each Assistant National Director of Human Resources, HSE;  
Each Employee Relations Manager, HSE.

**From:** Barry O'Brien, National Director of Human Resources

**Date:** 10<sup>th</sup> October 2014

**Re:** Reduction and control of medical and nursing agency expenditure in  
Acute Hospitals

**The measures set out in this memo have been approved for action across HSE and HSE funded Acute Hospital Services**

Our primary purpose is to provide effective, safe, high quality health and personal social services to the population of Ireland. The HSE Service Plan reflected the need to maximise efficiencies and ensure that we maintain sustainable levels of service with quality and patient care at the heart of everything we do.

There is a common understanding across HSE and HSE-funded services of the need to control and reduce expenditure on agency staff while acknowledging our requirement to meet our overall service targets. The effective management of agency costs forms a major element of hospital and community cost-containment plans.

Taking the above into account, the HSE is now putting in place processes to contain and control the frequency and cost of agency staffing across both HSE and HSE-funded services.

**Measures to reduce agency costs**

The measures set out at 1 and 2 below for implementation from 3<sup>rd</sup> November 2014 are key to achieving necessary savings. It should be noted that these initiatives are being introduced without prejudice to on-going work in various Service Divisions to determine appropriate skill mix and staffing levels for 2015 which will continue.

Separately, Managers across the system must continue to use all of the relevant levers within the Haddington Road Agreement to maximise the benefits of the agreement in relation to reducing the Public Pay bill including, where possible, moving hours from "productivity" to cash saving measures.

**Barry O'Brien**  
National Director Human Resources

## **1. Reducing usage of agency Medical staff**

The following mechanisms are to be initiated from Monday 3<sup>rd</sup> November to ensure control and containment of medical agency costs.

### **a) Central reporting of agency medical staff by site to commence on a monthly basis from Monday 3<sup>rd</sup> November.**

- Each HSE and HSE-funded Hospital or Service needs to ensure that HR/Medical Manpower Departments have robust recruitment arrangements in place to ensure employment histories as presented on CVs are verified appropriately. Details of all agency/hourly rate usage should be maintained in a single record (see attached template at Appendix I) to include IMC registration numbers as the unique identifier, doctor's name, duration of contract and name of agency. Such records should be forwarded monthly to an official nominated by the National Director, Health Business Services.
- Records will be audited by the National Director, Acute Hospitals to assess hospital / agency compliance with requirements.

### **b) Implementation of Medical Council registration requirements**

- With effect from Monday 3<sup>rd</sup> November all HSE and HSE-funded services must ensure that any NCHDs registered on the Trainee Specialist Division are registered to work in their particular hospital / agency site. It should be noted that NCHDs registered on the Trainee Specialist Division may not work outside the site they are registered to unless the employer provides for same under Section 6 a) xv) of NCHD Contract 2010 or via the Job Description under Section 6 b) of the Contract.

### **c) Implementation of NCHD Contract 2010 requirements**

- With effect from Monday 3<sup>rd</sup> November all HSE and HSE-funded hospitals and services must ensure strict adherence by NCHDs to Section 10 f) of NCHD Contract 2010 which states:

“The NCHD shall not demand or accept payment from any person in respect of the personal provision of professional medical/dental services. The NCHD may engage in professional medical/dental practice exclusively for an Employer(s) and on behalf of the Mental Health Commission, the Coroner, other Irish statutory bodies and medical/dental education and training bodies recognised by the Medical Council of Ireland.”

The purpose of this provision is to prohibit any NCHD in public health sector employment from engaging in agency work. It should be noted that HSE and HSE-funded services currently carry a legal liability arising from dual employment if the combined total of hours worked by an NCHD in two or more different HSE or HSE-funded services exceeds an average of 48 hours a week. In that context the entirety of the legal liability under Irish law rests with the employer(s).

### **d) Appropriate use of agency**

- HSE Human Resources will issue a national policy prior to 3<sup>rd</sup> November 2014 regarding Consultant cross-cover, cover for sick leave and cover for annual leave etc that specifies when it is appropriate to use agency doctors taking account of the demands of the Consultant rota in place and the availability of cross cover.

### **e) Purchasing within the National Agency Contract**

- It is noted that HSE and HSE-funded services are required to ensure that all agency is purchased under the National Agency Contract (documentation available from HSE Health Business Services). Breach of contractual requirements creates a liability for the

HSE and/or HSE-funded agency and hospital / agency compliance with requirements will be subject to audit and appropriate corrective measures.

- Taking the above into account, all purchasing must - without exception - be at National Agency Contract rates with effect from Monday 3<sup>rd</sup> November. The current rates are as follows:

Grade	Weekday	Weeknight	Week end /PH	Offsite on-call
Registrar	€50.00	€60.00	€65.00	1/2 onsite rate
Registrar with premium	€55.00	€66.00	€70.00	1/2 onsite rate
SHO	€40.00	€48.00	€52.00	1/2 onsite rate
SHO with Premium	€44.00	€52.80	€57.20	1/2 onsite rate
Consultant Type A	€95.00	€95.00	€95.00	€30 per hour
Consultant Type B	€87.00	€87.00	€87.00	€30 per hour

- Each hospital / service must advise all relevant medical services (both within and outside the National Agency Contract) that any Agency hours purchased / worked from 0.01am on Monday 3<sup>rd</sup> November will only be paid at the above rates. Agency hours purchased up to 2<sup>nd</sup> November will be paid at the agreed / contracted rate.
- Non-compliance at HSE hospital / service level will result in removal of the sanction to authorise payment for agency and assignment of same to a more senior manager. In relation to HSE-funded hospitals / services, compliance will be evaluated via the performance process and under the relevant Service Level Agreement.
- Separately, the HSE reserves the right to remove vendors outside the National Agency Contract from HSE financial systems to ensure that they are not eligible for payment and to request HSE-funded services to do the same. The Chief Financial Officer will make arrangements for same if non-compliance with the National Agency Contract continues to be a concern.

#### **f) Replacement of agency by fixed purpose contracts**

Commencing from 3<sup>rd</sup> November 2014 and taking full effect from 1<sup>st</sup> January 2015, no individual doctor can be employed on an agency/hourly rate of pay for a period in excess of 2 months. After this period, the post holder must either accept a NCHD or Consultant contract on the appropriate DoH salary rate or leave the position (note that agency 'introduction' fees will be applied in this context). No doctor may then be employed on a subsequent agency/hourly rate contract in any HSE or HSE-funded hospital / agency once they have completed this maximum period of 2 months. It is recognised that this requires a transition period and in this context the full effect of this directive would implemented over a 2 month period. The following sets out the arrangements to apply in the case of Consultants and NCHDs:

- **Consultants**
  - Hospitals / services should proceed immediately to formally offer Consultants currently engaged via agency a fixed purpose contract of employment under Consultant Contract 2008 on a Type A, B or C basis as determined by the employer. Consultants should also be formally advised – in writing – that their agency/hourly rate contract of employment will cease within 2 months and in any case no later than Monday 5<sup>th</sup> January. Such formal advice should issue no later than Monday 3<sup>rd</sup> November (a sample letter of offer is enclosed at Appendix II below).

- The salary rate to apply is as follows

Point	Type A	Type B	Type C
1	€127,000	€120,000	€105,000
2	€132,600	€124,200	€108,000
3	€138,200	€128,400	€111,000
4	€143,800	€132,600	€114,000
5	€149,400	€136,800	€117,000
6	€155,000	€141,000	€120,000

The Consultant should be offered point 1 on the scale unless they can provide satisfactory documentary evidence of previous employment as a Consultant for a period of more than 1 year. If so, they should be offered point 2 on the scale. This approach should be adopted up to point 6 on the scale.

- Where the permanent Consultant post is awaiting filling the purpose of the contract will be to fill the vacancy pending the appointment of the permanent appointee.
- Where the post is for a different purpose this may be pending the expiry of that purpose or for a period of 12 months with an option to offer for a further 12 months.
- **NCHDs**
  - Hospitals / services should proceed immediately to offer NCHDs currently engaged via agency a fixed purpose contract of employment in a service post under NCHD Contract 2010 for a two year period. NCHDs should also be formally advised – in writing – that their agency/hourly rate contract of employment will cease within 2 months and in any case no later than Monday 5<sup>th</sup> January. Such formal advice should issue no later than Monday 3<sup>rd</sup> November (a sample letter of offer is enclosed at Appendix II below).
  - It should be noted that where an NCHD engaged via agency is an existing employee of a HSE or HSE-funded service that no such contract should be offered and their engagement terminated as described above below as they are in breach of either section b) or c) above.
  - Hospitals / services should inform the NCHD as part of the offer that amended terms applying to service grade doctors will be implemented and offered prior to end November 2014.

#### **g) Issue of information and contracts to Consultants and NCHDs**

- Medical Manpower Managers are to manage the issuing of contracts to Consultants and NCHDs working in acute hospital services.

#### **h) Agency engagement after Monday 3<sup>rd</sup> November**

- With effect from Monday 3<sup>rd</sup> November doctors who are not currently employed under agency arrangements and were under consideration for posts must only be offered an hourly rate contract when it is verified that all other options have been exhausted and this arrangement is critical to service provision
- Under no circumstances may a doctor who has previously been employed on an agency/hourly rate contract for a period in excess of 3 months be re-employed in any service on an agency/hourly rate;

## **2. Reducing usage of agency Nursing staff**

### **a) Introduction**

The Public Service Stability Agreement (Haddington Road Agreement or HRA) facilitated the Graduate Nurse Programme the primary focus of which was to support reduction in levels of agency staffing across the health system. While the Programme has had some success the level of agency nursing continues to be of concern. Taking this into account, in addition to and to run concurrently with the Graduate Nurse Programme, the following measures have been approved to be initiated from Monday 3<sup>rd</sup> November 2014:

### **b) Measures**

- Each hospital/community organisation which currently has a reliance on agency nursing will identify the number of nursing posts which could be directly replaced by a two year contract of employment.
- Two year contracts of employment will be offered to nurses currently on the Nurse Graduate Programme to directly replace agency staff.
- Formal sign-off will be required prior to contract offer from the Hospital General Manager or CEO and notification to the Area Assistant National Director of Human Resources.
- The Graduate Nurse Programme will continue to be available to the Graduate Class of 2014 and the focus will continue to be to further reduce reliance on agency and overtime.
- As the above contracts will be for a two year duration the primary purpose of same is to reduce overall dependency on agency.

### **c) Implementation**

- The above measures must result in reduction of existing costs and there must be 100% compliance from all HSE and HSE-funded service providers. The achievement of cost savings is the direct responsibility of the relevant service manager. The full support of Hospital management and in particular Directors of Nursing is fundamental to the success of this initiative in order to maximise the savings to be achieved.
- It will be the responsibility of the relevant National Directors to oversee the implementation of this initiative and to be accountable for the delivery of identifiable savings.

## Appendix I -- Template for reporting engagement of medical agency

### Use of medical agency – reporting template

[illegible]

## Appendix II – Sample letters of offer

### Sample letter of offer to NCHDs

\_\_\_\_\_ October 2014

RE: Post of \_\_\_\_\_ (state grade) in \_\_\_\_\_ (state specialty)

Dear Dr \_\_\_\_\_

I am now authorised to offer you a post of \_\_\_\_\_ (state grade and specialty) under NCHD Contract 2010 for the purpose of \_\_\_\_\_ (name fixed purpose) for \_\_\_ hours per week to expire no later than (name date). This offer is subject to receipt of satisfactory references and verification of documentation (where these are not already provided).

This contract offer constitutes a change in terms and conditions rather than a renewal of existing contractual arrangements.

Please note that:

- this letter is by way of formal notice that your current agency /hourly rate contract (*delete as appropriate*) will cease on (state date – must be within 2 months and in any case no later than Monday 5<sup>th</sup> January 2014);
- amended terms applying to service grade doctors will be implemented and offered prior to end November 2014;
- should you already be an employee of a HSE or HSE-funded service that this contract offer has no effect and should be disregarded.

I am enclosing herewith a contract of employment together with other relevant documents which should be completed by you and returned with your letter of acceptance to me. A second copy of your contract of employment is attached for your own records

Documentation to be returned to this Department along with your signed contract:

(Specify documentation – this may include:

- HR 101 form, please complete sections 1 to 9 and sign
- Enterprise Liability Form
- Garda Clearance Form – application form and explanation note enclosed
- NCHD's who have lived abroad for more than 6 months or who are non-Irish nationals must in addition to completing the Garda Vetting process supply a statement of police clearance from their country or origin or country in which they resided. This must be an original. Photocopies not accepted.
- Current copy of Medical Council Registration
- Valid Garda National Immigration Bureau Card or Work Permit documents where necessary
- Verification of service form which must be completed by your current employer)

Please note that all staff involved in Exposure Prone procedures must have a verified certificate from the Occupational Health Service confirming that they are non-infectious for and immune to Hepatitis B. "In the absence of such evidence, a potential member of staff will not be employed in a post whose duties involves EPPs. No appointment will be made until the individual's immune status is established" – HSE Circular 19/2008 – Blood Borne Diseases (EPPs). The post that you are being offered has been identified under the area of EPPs, therefore you must contact the Occupational Health Department (*Contact details attached*).

Please note that you have a duty to make sure that patient care is not compromised if you decide not to accept a job offer or to leave your employment without giving adequate notice.

Please indicate by return your intention to accept this post, which is subject to receipt of satisfactory references and verification of the above documentation.

**Regards,**

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## Sample letter of offer to Consultants

\_\_\_\_\_ October 2014

RE: Post of \_\_\_\_\_ (state grade) in \_\_\_\_\_ (state specialty)

Dear Dr \_\_\_\_\_

I am now authorised to offer you a post of \_\_\_\_\_ (state grade and specialty) on a Type \_\_\_\_ (state Contract type – A, B or C as determined by employer) under Consultant Contract 2008 for the purpose of \_\_\_\_\_ (state fixed purpose) for \_\_\_\_ hours per week to expire no later than (state date). This offer is subject to receipt of satisfactory references and verification of documentation (where these are not already provided).

This contract offer constitutes a change in terms and conditions rather than a renewal of existing contractual arrangements.

Please note that:

- this letter is by way of formal notice that your current agency /hourly rate contract (delete as appropriate) will cease on (state date – must be within 2 months and in any case no later than Monday 5<sup>th</sup> January 2014);
- The salary rate to apply is point \_\_\_\_\_ (state point) from the Type (state contract type) scale below (note that the Consultant should be offered point 1 on the scale unless they can provide satisfactory documentary evidence of previous employment as a Consultant for a period of more than 1 year. If so, they should be offered point 2 on the scale. This approach should be adopted up to point 6 on the scale.)

Point	Type A	Type B	Type C
1	€127,000	€120,000	€105,000
2	€132,600	€124,200	€108,000
3	€138,200	€128,400	€111,000
4	€143,800	€132,600	€114,000
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6	€155,000	€141,000	€120,000

- should you already be an employee of a HSE or HSE-funded service that this contract offer has no effect and should be disregarded.

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**Regards,**

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