



Oifig an Phríomhoifigigh Airgeadais

Feidhmeannacht na Seirbhíse Sláinte,
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3rd July 2024

Deputy Rose Conway-Walsh TD,
Dáil Éireann,
Leinster House,
Kildare Street,
Dublin 2.

Re PQ 26657 24: *To ask the Minister for Health how inflation in healthcare costs in the public sector compared to general inflation between 2020 and 2024; and if he will make a statement on the matter.*

Dear Deputy Conway-Walsh,

The Health Service Executive has been requested to reply directly to you in the context of the above Parliamentary Question, which you submitted to the Minister for Health for response. Your PQ above has been referred to me for response.

The Consumer Price Index (CPI) is the official measure of inflation in Ireland. It measures the change, in index form, in the average level of prices (inclusive of all indirect taxes) paid for consumer goods and services by all private households, institutional settings such as nursing homes in the country, and by foreign tourists holidaying in Ireland. The CPI is a pure price index and therefore measures price change only. The CPI index increased by 19% between January 2020 and December 2023.

The Health sub-index of the CPI includes medical products, appliances and equipment, hospital charges and out patient services supplied by doctors, dentists, opticians, physiotherapists and practitioners of alternative and complementary medicine. The Health sub-index increased by 10% between January 2020 and December 2023.

Unfortunately, the Health sub-index of the CPI is not a particularly good measure of inflation in healthcare costs in the public sector as most health services are not paid for directly and in full by the consumer / patient.

There is no defined measure of healthcare costs inflation in the public sector. It may be useful, however, to examine the public health sector's pay expenditure over the period in order to provide some insight into increasing prices in the public health sector as a very significant portion of the HSE's costs relate to pay / wages / salaries.

Since January 2020 there have been a number of national pay awards applicable to HSE employees under the Public Service Stability Agreement 2019-2020 and the Building Momentum 2021-2022 Agreement. Eight increases have been applied over the period with a cumulative increase of nearly 13%. This mirrors the increase in the average weekly earnings across the total public sector and the health sector which according to the CSO was 13% between Quarter 1 2020 and Quarter 4 2023.

HSE pay expenditure (as per the HSE pay and numbers model) increased 45% between January 2020 and December 2023. This figure however is a combination of both the price increases (as per national pay awards above) and increases in the total number of staff working for the Irish public health services, which was 22% over the same period.



It is not possible, however, to extract how much the overall increase in HSE expenditure over this period was related to price only.

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

Yours sincerely

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