



St. Vincent's Healthcare Group Limited

Annual Report 2005



MISSION STATEMENT

We strive for excellence in meeting all the needs of our patients in a caring and healing environment in which the essential contribution of each member of staff is valued.

The values of human dignity, compassion, justice, quality and advocacy, rooted in the Mission and Philosophy of the Religious Sisters of Charity, guide us in our work.

We will make every effort to maintain excellence in clinical care, teaching and research.

Comh mheas, comh bhá, comh phártaíocht agus comh oibre bunsraith ár gcuid saothar uile.



Annual Report 2005

FOR

St. Vincent's Healthcare
Group Limited

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BOARD of DIRECTORS



Chairman
Professor Noel Whelan



Mr. Edmond J. Bergin



Sr. Eugene Butler



Ms. Louise English



Mr. Stewart Harrington

IN ATTENDANCE



Sr. Therese Culhane



Ms. Mary Duff



Mr. Eamonn Fitzgerald



Professor M. X. FitzGerald



Mr. N. C. Jermyn



Mr. Joe Leyden



Sr. Anne MacEneaney



Dr. Brian Maurer



Ms. Gemma McCrohan



Mr. Patrick Meade



Mr. Michael Meagher



Dr. Risteárd Ó Laoide



Mr. W. R. Quinlan



Mr. Conor Sexton



Dr. Michael Somers



Mr. Cormac Maloney



Mr. Michael Redmond



OVERVIEW BY

The CHAIRMAN of the BOARD of DIRECTORS

I have pleasure in presenting, on behalf of the Board of Directors, the annual report of St. Vincent's Healthcare Group Ltd. for the year 2005. This is the third annual report of the group, which comprises of St. Vincent's University Hospital, St. Vincent's Private Hospital, and St. Michael's Hospital (Dun Laoghaire, Co. Dublin).

Once more, details of the many challenging and exciting managerial and clinical issues and opportunities which came to bear on the group's successful development during 2005 are contained elsewhere in this report. So I shall concentrate in my overview on the strategic matters which have arisen from the perspective of the group's Board of Directors, and which will shape the group's future development.

Ongoing Group Management

In the first two years of the existence of St. Vincent's Healthcare Group the emphasis was on the integration of the three constituent group hospitals in the context of the group's ethos and plans. In this, the third year (2005) currently under review, the emphasis has been on group consolidation and on positioning the group so that it may contribute effectively and fully both to Ireland's national and regional clinical health-care delivery requirements and to medical education and research. I refer below to some of the developments, which occurred in this context during 2005. These developments took place in the context of major changes in the group's environment, serious resource constraints, and increasing demand for the health services provided by the group. The development of the Health Services Executive, the national health sector reform programme, inadequate hospital bed capacity, and overstretched accident and emergency services are some of the important and serious issues which faced the group during the year 2005.

Both the Board of Directors and group management have pursued opportunities for increased productivity, economies of scale, and synergy between the group's hospitals at every available opportunity. The board has pursued a positive and proactive policy towards networking, creating alliances, and establishing synergies with other hospitals and health/medical entities. It has also achieved benchmarking awards for high quality health care delivery during 2005. Efforts to increase bed capacity, by 200 beds at a cost of €40 million, have had a special focus and the group is, at present well advanced in formulating with private sector interests a major public/private investment project. This project will have the dual effect of enhancing greatly the capacity of the group's public and private health-care facilities.

Strategic Issues

During year 2005, the following strategic issues were dealt with by the Board of Directors and group management:

Group Governance: Good and thorough governance is the essential background or underpinning which sustains effective management. The Board of Directors is committed to the highest standards of governance within the group. Its governance system now includes:

- A Charter of Good Governance for the group
- A template setting out the roles and responsibilities for members of the Board of Directors
- A board committee system which has committees and/or advisory boards for auditing, finance, mission effectiveness, remuneration, board nominations, clinical governance, medical matters, medical education, and medical research
- A systematic programme of board meetings whereby, in addition to its normal meetings, the Board of Directors also meets three times per year to evaluate

the various long-term and strategic issues which face the board and to decide on the board's policy for dealing with them

- A strong focus on risk management at group and individual hospital levels
- A governance ethos which places a premium on medical excellence delivered in a charitable and loving environment and on an equal basis to all..... irrespective of social standing and means.

Group Planning: A strategic plan for the development of the group during the period 2006 - 2010 was drawn up during 2005 and is currently being finalised by the board. The Board of Directors, the group Medical Board, and group management have combined their specific expertise to ensure that this strategic plan is comprehensive, far-seeing and fundamental to the group's future development.

Medical Education and Research: One of the group's constituent hospitals, St. Vincent's University Hospital, is one of the main hospitals attached to the Medical and Health Sciences Faculty of University College, Dublin. Both medical education and research are inter-twined because effective teaching needs to be underpinned by appropriate research. The group values highly its relationship with University College, Dublin and makes every effort to ensure that its teaching and research capacity is excellent. It has retained the services of eminent national and international experts to advise it on the strategic development of its medical education and medical research capacity. This has resulted in strategic plans for both education and research, and the creation of advisory boards for education and research, each of which functions under the aegis of the group Board of Directors.

Major Infrastructural Investment: The major infrastructural investment providing new accident and emergency services and extensive new clinical health-care delivery facilities (which commenced during 2003) was completed during 2005 - on time and within budget. It is now almost completely operational. This investment, located in St. Vincent's University Hospital, Elm Park, Dublin 4, ensures that St. Vincent's Healthcare Group has a scientifically and technologically advanced medical base on which to plan its healthcare services during the immediate years ahead. However, there is no room for complacency and the strategic plan, which I mentioned

Overview by the **CHAIRMAN** of the **BOARD** of **DIRECTORS**

earlier together with the public/private partnership project, will require further major investment in the group's facilities.

Thanks

I have listed above some of the key strategic issues which faced the Board of Directors during year 2005. A further key issue, without which the group simply could not function effectively, is the commitment and help which we receive from so many persons and institutions. I have much pleasure, therefore, in extending the warm and appreciative thanks of the Board of Directors to our many friends and benefactors who willingly and without any material reward contribute to the exciting development of the St. Vincent's Healthcare Group. We acknowledge and thank:

- The shareholders of the group, the Religious Sisters of Charity, under the caring guidance of Sr. Una O'Neill, and her colleague sisters
- The staff of the group, and of the group's constituent hospitals
- The Tanaiste/Minister for Health and Children, and the departmental officials of the Department of Health and Children
- The board members, chief executive and officials of the Health Services Executive
- The governing boards and staff of our many partner hospitals, and of University College, Dublin
- Our many supportive friends in Ireland and around the world.

I extend my personal thanks to my colleague directors on the group board, and to the management and staff of both the group and of the individual constituent group hospitals. All have been most supportive and helpful.

Now that year 2005 has passed and 2006 is upon us, the group board renews its commitment and dedication to pursuing the welfare of St. Vincent's in the time ahead in the context of medical excellence and in accordance with the ethos of its shareholders.

Professor Noel Whelan
Chairman
 St. Vincent's Healthcare Group Ltd.



GROUP CHIEF EXECUTIVE'S Report

I am pleased to report for the third year, on the work in St. Vincent's Healthcare Group Ltd (incorporating St. Vincent's University Hospital, St. Vincent's Private Hospital and St. Michael's Hospital) for the year ended 31st December 2005.

At the outset, I would like to take the opportunity to thank the staff for their support, dedication and professionalism in providing services to the patients in our three Group hospitals. 2005 was an extremely difficult year where the Group hospitals faced major challenges relating to

- (a) Bed Capacity
- (b) Infrastructural Deficits
- (c) Finances
- (d) Health Reforms

Last year I reported an eventful year for the Group and many of these issues highlighted, unfortunately remain challenges.

Hospital management, with the support of the Board of Directors and its Shareholders, face the challenge of delivering services on a daily basis (24 hours, 365 days) while at the same time coping with the challenges and implications of the re-organisation of the health services. The public want, expect and have been promised, that these reforms will bring about instant improvements on the ground from a service perspective. Once again, I want to state that it is important we note that structural reform in itself does not automatically guarantee processes will change and improve. These reforms will facilitate change but one of the key issues we see as a Group is the need for further investment in the health sector notwithstanding there has been considerable investment over the last number of years.

I believe St. Vincent's Healthcare Group needs to take stock, consolidate and stabilise the operations within the Group hospitals while the Board of Directors and management consider what impact the various health reforms will have on the Group.

Capacity - The major issue for the Group on a daily basis is its inability to meet the demand on services in relation to its bed capacity. The Group has submitted proposals to the HSE in 2005 outlining how it could develop and increase its current bed capacity over a two to three year period. A response is awaited from the Health Service Executive on this and a number of other proposals relating to increasing bed capacity and other service developments. While the hospital made some progress in providing long term care for patients in our Group hospitals that have completed the acute phase of care. The fact remains that the system does not have sufficient capacity to deal with the on-going needs of this group of patients. These patients require appropriate care either in the community or in long term care facilities.

Infrastructural deficits - As I reported last year, the Board of Directors have approved and have continued to encourage and support the renovation and up-grading of the Group hospitals infrastructure. Each of the three hospitals in the Group have spent considerable money on the renovation and maintenance of its infrastructure. Major developments are taking place on the St. Vincent's University Hospital campus as well as in St. Vincent's Private Hospital and St. Michael's Hospital. These developments from an infrastructural improvement point of view, are going to make a difference, as is the on-going replacement of medical equipment and will continue to ensure our hospitals can deliver state of the art clinical care to our patients.

GROUP CHIEF EXECUTIVE'S Report

The infrastructural deficits have and will continue to create difficulties for our hospitals. The media have highlighted issues around hospital hygiene, MRSA and Winter Vomiting (SRSV). A major contributor to difficulties in dealing with the above issues has been the infrastructural deficits, not alone faced by the hospital Group but also by other healthcare providers. Other contributory factors are high bed occupancy levels and general overcrowding. The Group hospitals are over twenty years old and were not designed or built to deal with today's needs. Lack of en-suite bathroom and toilet facilities and single rooms are examples of the deficits.

Proposals to deal with the infrastructural deficits have been submitted to the Health Service Executive and Minister for Health and Children. These proposals include, the need to build new purpose designed wards for Cystic Fibrosis, Liver Transplantation and related work, infection control facilities and specialist medical and surgical wards.

Finance and Activity - Economies of scale and efficiencies were leveraged within the Group, which helped with some of the financial problems in 2005. The Group hospitals managed to increase patient throughput by re-engineering some of the processes. The protracted on-going financial negotiations between the Group and its funders i.e. HSE / VHI to ensure the provision of sufficient resources to fund its activities had to be dealt with. You can see from the Financial Controller's report on behalf of the Group that the overall financial performance was good. I am pleased to say that overall expenditure versus revenue for the company resulted in a small surplus for the year ended 31st December 2005.

It is my view that in the future, it will be important that the Group is paid for the services it provides. I hope the changes in structures within the health services will allow organisations like ourselves to be funded on an item of activity basis going into the future. I believe the Group is well placed to prove that it is effective and efficient in its provision of services from a financial and clinical perspective.

I should point out that the Board of Directors have put in place governance structures that can evidentially prove the Group is providing high quality clinical services efficiently and effectively which can be measured and monitored. In 2005, the Board of Directors and

management carried out a review of its structures from a clinical and non-clinical perspective. In his report, the Chairman of the Board has covered details of various developments and changes which will support the Group hospitals in providing services to its patients. The Board have put in place the following Committees - Clinical Governance Committee and the Research and Education Advisory Committees. These sub-committees of the Board will supplement the other Board committees already established i.e. Finance and Strategy, Audit, Fundraising and Mission.

I would like to take this opportunity to highlight some of the key initiatives and highlights in relation to 2005, which I believe, influenced various decision-making processes in the year.

Quality - I reported last year that the Group received the award of 'pre-accreditation advanced' status from the Irish Health Service Accreditation Board which was in line with our peers. This process of measuring an organisation's performance against pre-determined quality standards, through self-assessment and peer review, enabled the Group identify over eighty quality improvement initiatives, many of which have been implemented. The Group hospitals were due to have a mid-cycle review in September but that was deferred to January 2006. I can report that this review has taken place and while we still await the official report, the feedback has been very positive.

The Group appointed a Clinical Audit Co-ordinator to support clinical audit at all levels within the Group and there are plans to develop the organisational structures to support this initiative.

Research & Education Advisory Committees to the Board

I would like to report that both of these committees under the interim Chairmanship of Professor Pat Fottrell, supported by Mr. Leo Kearns and a number of external and internal appointments, have carried out or are in the process of carrying out various reviews of the Healthcare Group hospital facilities from a research and education perspective. This work will support and help to inform the Group from a strategic point of view and help us decide what direction to take in the future. These advisory committees will report back in more detail to the Board in the early part of 2006.

Strategy - The Board and management spent two full days in 2005 reviewing its overall strategy and taking stock, which I believe everyone found very helpful, and will assist the Group in future endeavours in providing and developing services for patients into the future. The Directors also set time aside at Board meetings for presentations on specific issues of concern. Consultants made a number of presentations to the Board of Directors, which I think should be mentioned.

Infection Control

Dr. Lynda Fenelon, Head of Infection Control, made two presentations on issues around infection control and MRSA, which were very informative and helpful. I believe it was important that the Board of Directors were briefed in full on the challenges faced by the Healthcare Group hospitals and the health services in general in dealing with the risks of infection and MRSA and how to manage them.

Radiotherapy

Professor John Armstrong (Consultant in Radiation Oncology) and Mr. Enda McDermott (Consultant General Surgeon) presented the Board with a background to the Radiotherapy bid process in which the Group was unsuccessful. They highlighted the negative implications, for St. Vincent's Healthcare Group and St. Luke's Hospital, of not being selected as the provider of this national radiotherapy service in the Eastern region. Suggestions were made from the medical and management perspective, on what action should be taken into the future to ensure that patients from within the Group hospitals get the highest level and quality of radiotherapy services. It should be noted the Group hospitals have access to state of the art radiotherapy services in St. Vincent's Private Hospital. The second newly installed linear accelerator has been commissioned and the first patients have been treated in February 2006. I am pleased to report the Board of Directors have agreed these services should continue to be developed and ensure our patients have access to on-going state of the art radiotherapy services into the future.

Rheumatology

Dr. Doug Veale (Consultant Rheumatologist) was invited to the Board of Directors to present some ideas on discussions that are taking place with a pharmaceutical company in relation to the formation of a translational research consortium, which would involve the Healthcare Group, its Rheumatologists and management. These discussions are ongoing. This is the sort of initiative that the Healthcare Group is involved in and will want to encourage over the coming years.

Cystic Fibrosis

Following the publication of the Pollock Report "The Treatment of Cystic Fibrosis in Ireland - Problems and Solutions 2005" various articles appeared in the media throughout 2005 highlighting the inadequacies of facilities and staffing of the National Cystic Fibrosis Unit located here in St. Vincent's University Hospital. Dr. Charles Gallagher (Consultant Respiratory Physician and Director of the Cystic Fibrosis service) presented to the Board details of the current facilities in the hospital and particular elements of the Pollock report that related to St. Vincent's Healthcare Group. I should point out that the hospital has already made submissions to the HSE and its predecessor the Eastern Regional Health Authority and the Department of Health & Children in relation to the need to develop a purpose built Cystic Fibrosis facility here on St. Vincent's University Hospital campus.

Dr. Gallagher and representatives from St. Vincent's University Hospital are working with the special Task Force set up by the Minister to deal with the Pollock Report and the development of Cystic Fibrosis facilities. The Minister announced that €7m would be made available to develop facilities in the short, medium and long term in relation to Cystic Fibrosis, a substantial part of these resources will come to St. Vincent's University Hospital to develop The National Adult Cystic Fibrosis service.

Mental Health

Psychiatry - I am pleased to report that Vergemount acute psychiatric service transferred to St. Vincent's University Hospital campus at the end of 2005 and the

GROUP CHIEF EXECUTIVE'S Report

newly built Mental Health Facility was successfully opened. This unit deals with acute psychiatric assessment and provides services to patients within our region. I am particularly pleased that this 54 bedded purpose built unit is up and running and working well and has made such a difference to the patients and staff and to the way services are delivered.

Accident & Emergency services - In 2005 the Group hospitals continued the integration and development of Accident & Emergency services in the region led by St. Vincent's University Hospital with St. Michael's Hospital. The new state of the art purpose built Emergency department on St. Vincent's University Hospital campus has opened and is functioning well. This unit is the most modern emergency department in Ireland and can compare favourably with any of the emergency departments in Europe.

Inpatient Waiting Lists - The Healthcare Group hospitals waiting lists have been substantially reduced in 2005 and the Group has worked with its clinicians, the National Treatment Purchase Fund and other service providers to ensure that these lists have been reduced by 41% 2643 (Dec 2004) to 1548 (Dec 2005).

Project Development - I would like to highlight one or two developments in each of the Group's facilities:

St. Vincent's University Hospital - I am pleased to report that the €250m development on St. Vincent's University Hospital campus has been completed. The final stages of transferring and opening the various facilities within the new development will progress at speed on a phased basis effectively starting with the transfer of the A & E services in January 2006 right through to June and July 2006 whereby the building will be fully operational.

St. Michael's Hospital - The link corridor between the Public hospital and the former Private Hospital has been completed. Work to replace all the Radiology equipment in the hospital commenced in 2005.

St. Vincent's Private Hospital - Work has now been completed in relation to the replacement and installation of an additional linear accelerator in the hospital. The hospital generator has also been replaced.

ICT - Investment has been made in the Group's information technology infrastructure and operating systems. This has allowed the Group hospitals create a platform for the future development of clinical systems. It has been agreed to review the information and communication technology strategy in 2006 having regard to the future needs of the Group.

The key strategic issues for the Group are:

- Develop capacity within the Group to deal with the demands on its services.
- Modernisation and development of the Group's infrastructure.
- Develop structures and networks to ensure that the Group hospitals are integrated with both the acute and community services in the HSE.
- Create partnerships with the HSE and other healthcare providers to ensure that the patients the Group hospitals are responsible for get the best services possible.
- Continue to actively pursue the quality, care and value for money agenda.

I would like to once again take this opportunity of thanking all our staff and supporters, the Board of Directors, Chairman - Professor Noel Whelan, and its Shareholders, the Religious Sisters of Charity, the HSE, Department of Health & Children and everybody the Group hospitals are associated with in supporting the Group in its pursuits - to serve patients and their families as best it can.

I have deliberately not gone into any detail in relation to finance or activity, this you will find under the Financial Controller's report and the statistical analysis provided in this report. Posted on our website www.st-vincents.ie is detailed information about the activities of the Group and its various components.

Nicholas C. Jermyn
Group Chief Executive

GROUP EXECUTIVE



Mr. N. C. Jermyn (Chair)



Mr. Ken Bale



Ms. Marianne Byrne
(4th September 2003-14th April 2005)



Ms Josephine Barrett
(27th October 2005)



Ms. Gretta Colbert



Mr. James Crowe



Mr. Dermot Cullinan
(21st July 2005)



Ms Mary Duff



Mr. Eamonn Fitzgerald



Mr. Ian Maguire



Mr. John McPhillips



Mr. Cormac Maloney



Dr. Brian Maurer



Mr. Seamus Murtagh



Dr. Risteárd Ó Laoide



Mr. Michael Redmond



Mr. Peter Sheehan



Ms. June Stanley



Mr. Neil Twomey



CHAIRMAN of the MEDICAL BOARD

As Chairman of the Medical Board I have pleasure in presenting the Annual Report for the year 2005.

Bed Capacity

The continuing lack of an appropriate effective bed capacity within the group continues to pose major difficulties. The combination of persisting high levels of Emergency Department activity, the lack of adequate set down facilities and an inadequate bed base has led to continuing and increasing difficulties throughout 2005.

There is significant strain at multiple levels including, the presence of a large number of patients in the emergency department overnight, the difficulty of managing a large number of inpatient ventilated patients, and the persistent cancellation of elective and semi-elective surgery. The Medical Board in conjunction with Management and the Bed Management Committee continue to work to alleviate these problems, however, in the face of persistent underlying fundamental deficits, the situation is extremely challenging. Unfortunately funding could not be obtained for the development and staffing of an Acute Medical Assessment Unit, on the basis of the model outlined by Comhairle na NOspidéal. Limited funding was obtained however for the development of a clinical decision unit close to the Emergency Department.

Hospital Acquired Infections (HAI)

The first National Hygiene Audit took place in 2005. The results of the survey helped to inform measures for continuous improvement in this area. Significant contributory factors to the development of HAI include hospital infrastructure and occupancy rates.

The current UK statutory advice (Health Building note 04 1997) states that at least 50% of patient beds should be side rooms (en-suite), with the remainder in two to four bedded wards. In SVUH there are only 25 side rooms / 500 beds (5%), 10 of these are available for isolation of infection, or isolation of the confused or the dying patient, 12 for infection isolation in specialised areas and five for protection of immunosuppressed patients. Only three of these side rooms are en suite and none are ventilated with the negative pressure ventilation required for management of patients with open or multi-drug resistant tuberculosis, influenza or SARS.

We are fortunate to have a 26-bedded MRSA cohort unit, but this is of no benefit for the control or prevention of *Clostridium difficile*, norovirus, VRE, varicella zoster or other multi-resistant organisms.

The hospital infrastructure is in urgent need of improvement and renovation. Most patients are managed in six bedded wards with some three-bedded wards. There is on average only one toilet per seven patients and in some areas only one toilet per ten patients, with the majority of toilets shared between the whole ward. The ratio of shower and bath facilities per patient bed are similarly very low.

The SVUH bed occupancy rate is approximately 95% compared with the recommended UK occupancy rate 82% (National Audit Office. 'Improving patient care by reducing the risk of hospital acquired infection; a progress report' 2004), resulting in overcrowding and short bed turn over intervals, both risk factors for hospital acquired infection.

St Michaels Hospital (SMH)

I would like to thank Mr. Donal Maguire for his continued chairmanship of the medical forum at St. Michael's Hospital. During 2005 increasing numbers of elective surgical cases were performed at the hospital. The medical forum agreed a policy of diverting high acuity work, requiring potential ICU capacity to SVUH. Structures were put in place to facilitate such transfers. This policy optimises patient care and facilitates the development of SMH as an optimal site for the performance of significant elective work for the St. Vincent's Healthcare Group. Infrastructural projects during 2005 included the near completion of the link corridor. In addition plans were put in place for the purchase of new equipment for the Radiology Department. The development of a digital system will allow the seamless transfer of images and reports between SMH and SVUH.

St. Vincent's Private Hospital (SVPH)

The Medical Forum in SVPH continued to meet regularly under the chairmanship of Dr. Brian Maurer. The strategic development of SVPH was discussed at length and it is hoped that these plans will bear fruit early in 2006. Such new developments will be framed to meet the health care needs of patients not only in SVPH, but also patients in SVUH. The installation of two new linear accelerators in the Radiotherapy Department was completed in 2006. This development, with its attendant increased capacity, will allow SVHG to begin to address the radiotherapy needs of the campus as a whole. To this end the group continues to work closely with our colleagues at St. Luke's Hospital.

Research

The construction of the general Clinical Research Centre (CRC) was completed in 2005. This unit will provide a state of the art ambulatory clinical research unit at the Hospital. As part of the construction there is now a common foyer between the Education and Research Centre (ERC) and the Clinical Research Centre (CRC). It is hoped that the CRU and the ERC together, will provide a common platform for the research efforts of clinicians at SVUH.

The Research Advisory Board, a sub group of the Group Board was set up in 2005. Professor Pat Fottrell, Chairman of Science Foundation Ireland and ex President of the National University in Galway, agreed to act as Interim Chair of this committee. Membership of this committee is drawn from the Board of Directors SVHG, UCD, the Dublin Molecular Medicine Centre (DMMC), the Medical Board, and key external members from the Irish Research Community.

Among the key strategic aims identified by the Research Advisory Board were:

- (i) The identification of a limited number of research areas within SVUH to be evaluated by an international panel. It is hoped that this process will be completed early in 2006.
- (ii) The appointment of a Director of Research at SVUH who would have a senior academic appointment in UCD.
- (iii) The alignment of the research aims of SVUH with UCD

Education

Professor Fottrell and Mr Leo Kearns undertook a review of education on the St. Vincent's University Hospital Campus in late 2005. During this review they received submissions from, and met with members of, the clinical and allied disciplines. A final report is due in early 2006. It is hoped that this report will expedite the development of an appropriate education infrastructure on the St. Vincent's University Hospital Campus.

Project Development

The St. Vincent's University Project Development progressed extremely well during 2005. A considerable amount of work involving commissioning and equipping of the building took place. State of the art equipment has been obtained in all areas making the development one of the most technologically advanced healthcare facilities worldwide. It is hoped that there will be a phased occupation of the new building in early 2006.

CHAIRMAN of the MEDICAL BOARD



Consultant Changes

A number of new Consultants commenced their practice in 2005. These included Mr. Mark Cahill (Consultant Ophthalmologist), Mr. Denis Evoy (Consultant Surgeon), Dr. Ola Petter Rosaeg (Consultant Anaesthetist), Dr. Áine Carroll (Consultant in Rehabilitation Medicine), Dr. Cathal Nolan (Consultant Anaesthetist), Dr. Gerard Connaghan (Consultant Haematologist), Dr. Rachael Doyle (Consultant Physician in Geriatric Medicine), Dr. David Brophy (Consultant Radiologist) and Dr. Robert Plant (Consultant Anaesthetist). The Medical Board welcomes our new colleagues and wishes them a happy and fulfilled professional career.

During 2005, Dr. James Masterson and Dr. Geraldine Kelly retired from the Group. On behalf of the Medical Board I would like to thank them for their dedication to the highest standards of clinical care over many years and wish them a long happy and healthy retirement. On behalf of the Medical Board I would also like to congratulate Mr. Arnie Hill on his appointment as Professor of Surgery at the Royal College of Surgeons in Ireland. We wish him well in his new career in Beaumont Hospital.

Finally I would like to thank a large number of Consultant colleagues who have given generously of their time and expertise throughout the year. In particular I would like to thank Dr. Ken McDonald, Honorary Secretary of the Medical Board for his time and support during the past year.

I would like to acknowledge the significant help and contribution of the other members of the Medical Executive during 2005. In particular I would like to thank Dr. Conor Collins, Dr. David Fennelly and Dr. Tom Owens who have retired from the Medical Executive. I look forward to working with the new Executive members: Dr. Declan O'Keeffe, Ms. Margaret O'Donnell, Dr. Douglas Veale and Mr. John Ryan.

I would like to thank Ms. Ann Shannon and her team in the Medical Board Office, without whose considerable support the Medical Executive and Medical Board would not function.

I would also like to thank members of the Hospital Management including Mr. Nicholas Jermyn, Group CEO, and Mr. Eamonn Fitzgerald, Deputy Group CEO for their continued help and support.

Dr. Risteárd Ó Laoide
 Chairman of the Medical Board
 St. Vincent's Healthcare Group Ltd



FINANCE REPORT 2005

St. Vincent's Healthcare Group Ltd

2005 has been an extremely busy year for the group in both activity and financial terms. In particular the new Hospital Development has been completed and the equipping of the building is well advanced. Despite considerable pressures on costs both St Vincent's University Hospital and St Michael's have achieved a breakeven position in relation to the allocations received. The Private Hospital Branch has achieved a surplus of €1.5M as well as investing significantly in capital equipment.

St. Vincent's Healthcare Group Ltd includes the business of St. Vincent's University Hospital, St. Michael's Hospital and St. Vincent's Private Hospital.

The combined branch results attached include the income, expenditure and assets of the three institutions. Branch accounts are prepared separately for each division.

The following notes have treated each branch separately.

St. Vincent's University Hospital Branch

Funding

The initial Allocation that was received in 2005 was €161.5m. Additional funding was received from the HSE to help develop the following areas- A & E, Cancer Services, Renal Service, Training & Development and Risk Management.

An additional €2m was received for Minor Capital Works. This additional funding received together with careful

management of financial resources has ensured that the Hospital achieved a break-even position in 2005.

The Final allocation received in 2005 was €175.4m

Income & Expenditure Account

Total Expenditure in 2005 (excl depreciation) was €193.5m

Pay

The most significant driver of increased pay costs was the payment of National pay awards and Agreements, as follows:

- Sustaining Progress
- Benchmarking
- Assimilation of Bands
- Buckley Report

New Consultants started in 2005 in the Specialties of Anaesthetics and Haematology.

There was a major recruitment drive of overseas Nurses in 2006. These staff have filled vacancies and reduced our reliance on Agency staff.

A number of new units became operational in 2005 including the Clinical Decision Unit and the new Psychiatry unit, Elm Mount.

2005 was the first full year of the B.Sc.Nursing programme, where students are rostered for the year in SVUH. Expenditure on this amounted to €1.3m.

Non Pay**Medicines**

Medical inflation continues to run much higher than the national rate of inflation. The primary driver of drug cost increases has been Oncology medicines, and in particular the use of combined therapies.

High cost medicines incurred during the year included the cost of treatments for colorectal and breast cancer as well as Arthritis and Cystic Fibrosis.

Medical & Surgical Appliances

The main increase in costs arise in the following area's

- Dialysis- The increasing number of patients using the CAPD Service.
- Acute dialysis patients are now being referred to the Beacon Clinic for treatment since September 2005.
- Increased usage of cardiac implants
- Catheters- Drug coated stents have now become the norm in Cardiology procedures.
- Waiting list scheme and Breast Check referrals
- Pain Management- Spinal cord Implants

Medical Equipment

A €2m Minor Capital grant was received in 2005. Due to the ageing profile of some equipment, clinical requirements and Health & Safety requirements a further €1.84M was spent through Revenue

Pathology

There is increased demand on the Pathology service from the Oncology Dept. and the Breast Screening service who access high cost Histology tests.

There is increased pressure on the service due to referrals from other hospitals in the region, such as St Michaels, St Columcilles and the National Rehabilitation unit .

X-Ray

There has been a significant increase in the usage of PET scans, due to their greater diagnostic ability.

Heat/Power/Light

The Opening of the Psychiatric Unit and new main Hospital Development has meant a greater demand for both heat and power.

Due to global factors there has been a major increase in Gas prices from October 2005 (estimated 46% increase-based on volumes used)

Maintenance

Maintenance costs will continue to rise due to the ageing profile of our assets. A number of major projects were undertaken in 2005 -

1. Refurbishment of old Convent into Clinical offices
2. Catherisation Laboratory - replacement of equipment
3. Pulmonary Department - renovations
4. Mortuary - renovations
5. Window replacement and solar filming windows in the Wards
6. Fire alarm and access control systems

Office Expenses

Recruitment - 126 foreign Nurses were recruited in 2005; cost includes recruitment fee.

Security

Costs include the increased utilisation of manned security for new areas such as the Psychiatric Unit, and other new units being opened.

Income

Statutory charges for Inpatient Health Act and A&E increased by 22% in 2005. The Semi Private rate increased by 7%

Capital Expenditure

During the year €30.1m was spent on the new development project, including €8.6m on equipment, primarily new radiology equipment.

In addition €3.4m of replacement equipment was purchased by the Hospital.

St. Michael's Hospital Branch

Income & Expenditure Account

Total Income in 2005 was €33.0m an increase of €2.0m on year 2004 (€31.0m).

This figure includes a total allocation received in the year of €29.1m (€27.8m in 2004).

Expenditure excl depreciation rose to €33.1m from €31.0m in 2004.

The main increases arose from Salaries and Wages, Drugs and Medical Equipment

Pay

Salaries and Wages were €22.8m (€21.0m in 2004).

Non Pay

Main increases in Non-Pay expenditure occurred under Surgery and Dispensary and Establishment costs.

The project to construct a Link Corridor between the main hospital and the old Private Hospital progressed well in 2005 and will be completed in early 2006.

In 2005 the hospital also commenced the replacement of its Radiology equipment and introduction of a RIS/PACS System in conjunction with St. Vincent's University Hospital. This project will also be completed in the first half of 2006.

Activity

Admissions for 2005 were 7,435 compared with 6,988 in the year 2004.

St. Vincent's Private Hospital Branch

Income & Expenditure Account

	Eur '000
Income	50,550
Pay costs:	23,147
Non Pay costs:	25,933
	<hr/>
Net Profit	1,470
	<hr/> <hr/>

Pay

Pay costs in 2005 were €23.1m.

The main components of these costs were:-

Nursing/Portering	€12.6m
Allied Health	€4.1m
Support Services	€2.5m

Benchmarking and Sustaining progress pay increases accounted for a significant amount of the increase in pay year on year.

Non Pay

Non-pay costs increased by 19% over 2004 to €26m.

The main components of these costs were:-

Pathology	€1.8m
Pharmacy	€7 m
Medical Supplies	€1.7m
Theatre	€1.8m

The costs of Pharmacy rose by €1.8m but the reimbursement also increased by the same amount. This reflects higher usage of drugs for oncology patients.

Income

Direct Income rose by €7.2m (16.6 %) to €50.5m.

This would be primarily due to increases granted by VHI and other insurers. There was also an increase in the number of high cost radiology procedures carried out during the year.

The main components of direct income are accommodation €24m, radiology €6.5m, oncology €8.3m and major theatre €4.8m.

Activity

• Admissions (inpatient)	9,081
• Daycases	5,233
• Oncology (daycases)	5,524
• Major Theatre	3,914
• Minor Theatre	3,586
• Endoscopy	4,986
• Diagnostic Imaging	30,648
• Radiotherapy treatments	11,272

Balance Sheet

Capital Expenditure

Capital expenditure totalled €4m in 2005. €2.6m was spent in the Radiotherapy area and €1m was spent on other medical equipment assets.

Other Group Issues

The hospital tendered its audit services during the year and PricewaterhouseCoopers were appointed.

Financial Reporting Standard 17 "Retirement Benefits" (FRS17) is now in place. This has obliged the group to bring pension valuations into the accounts for the first time. The audit opinion of the accounts has been qualified in relation to the requirements of FRS17 as they relate to the publicly funded branches. This situation is similar to that which exists in the majority of other publicly funded hospitals.

Future Developments for the Group

- Web based on line requisitioning is being introduced which will make requisitioning and the production of purchase orders and issues of stock more efficient
- The Salaries system is under review in order to provide better analysis and control reports in conjunction with the improvement in associated HR systems.
- A new Pharmacy system is being installed which will greatly enhance the management of pharmacy data and the control of stock.
- Work is ongoing in the Accounts Payable area to automate processes and reduce paperwork etc.

Cormac Maloney
Financial Controller.

ST. VINCENT'S HEALTHCARE GROUP LIMITED

COMBINED BRANCH ACCOUNTS

For the year ended 31st December 2005

Income & Expenditure a/c	2005 Summary Euro €	2004 Summary Euro € <i>Restated</i>
Income		
Patients Income	58,934,749	50,779,199
Other Income	8,740,027	7,761,499
	<u>67,674,776</u>	<u>58,540,698</u>
 Amortisation		
Building & Equipment	<u>11,661,304</u>	<u>7,547,036</u>
 Expenditure		
Salaries & Wages	176,030,441	159,985,084
Surgery & Dispensary	62,667,459	53,551,888
Provisions	2,049,414	1,981,361
Domestic	10,611,464	9,426,231
Clinical Support & Administration Services	6,921,425	6,547,496
Maintenance of Buildings etc	5,808,281	7,544,915
Miscellaneous	4,158,098	5,447,097
Bad Debts	57,110	174,871
Bank Interest & Finance Charges	256,017	246,980
Depreciation - Buildings & Equipment & Motor Vehicles	13,372,019	8,605,824
Total Expenditure	<u>281,931,728</u>	<u>253,511,747</u>
 Excess of Expenditure over Income	 (202,595,648)	 (187,424,013)
Refundable from the HSE	204,619,920	188,766,648
	<u>2,024,272</u>	<u>1,342,635</u>
Income & Expenditure Surplus / (Deficit)		
Transfer to other reserves	(701,465)	(577,406)
	<u>1,322,807</u>	<u>765,229</u>
 Surplus / (Deficit) for the Year after trf to reserves		
 Accumulated Income and Expenditure Account		
Surplus / (Deficit) for the Year after trf to reserves	1,322,807	765,229
Surplus carried forward from previous years as previously reported	946,338	177,109
	<u>2,269,145</u>	<u>942,338</u>
Actuarial Loss in respect of pension scheme	(2,174,000)	(323,000)
Prior Year Adjustment : FRS 17 Retirement Benefit	(4,419,000)	(4,092,000)
Investment	776	-
Accumulated Surplus /(Deficit)	<u>(4,323,079)</u>	<u>(3,472,662)</u>

COMBINED BRANCH ACCOUNTS

**Balance Sheet as at Year End**

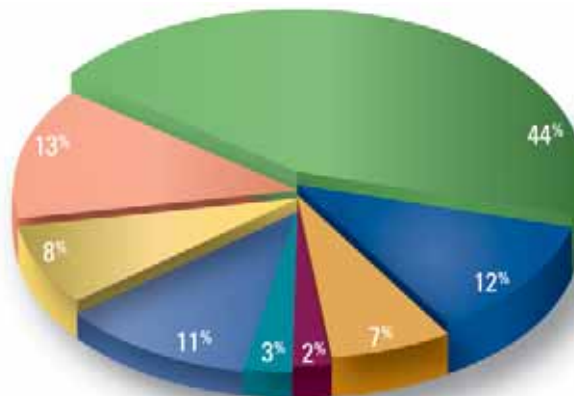
	2005 Summary Euro €	2004 Summary Euro € <i>Restated</i>
Assets		
Fixed Assets	417,520,714	392,393,291
Current Assets	51,282,010	51,419,715
Total Assets	<u>468,802,724</u>	<u>443,813,006</u>
Liabilities		
Creditors	53,976,790	53,816,189
Capitalisation Accounts	173,991,814	148,396,587
Pension Liability	6,540,000	4,419,000
Total Liabilities	<u>234,508,604</u>	<u>206,631,776</u>
Net Assets	<u>234,294,120</u>	<u>237,181,230</u>
Capital and Reserves		
Capital & Other Reserves	238,617,199	240,653,892
Accumulated (Deficit) / Surplus	<u>(4,323,079)</u>	<u>(3,472,662)</u>
	<u>234,294,120</u>	<u>237,181,230</u>

Figures shown for 2005 & 2004 include St. Vincent's University Hospital, St. Michael's Hospital and St. Vincent's Private Hospital.

FINANCIAL ANALYSIS

Pay Expenditure 2005

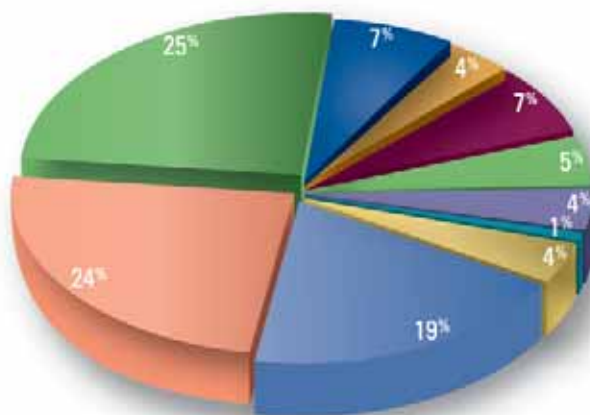
Administration	11%
Common Contract	8%
Medical Salaries	13%
Nursing & Allied	44%
Paramedical	12%
Catering/Housekeeping	7%
Maintenance	2%
Superannuation	3%



Figures shown include SVUH, SMH & SVPH

Non Pay Expenditure 2005

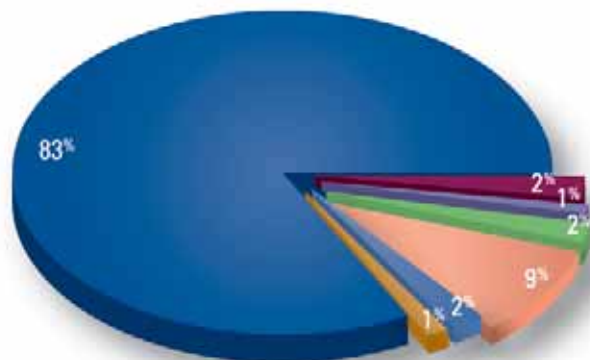
Medical & Surgical	24%
Medicines	25%
Pathology Expenses	7%
Medical Equipment	4%
Cleaning / Laundry	7%
Maintenance Charges	5%
Blood	4%
Courses & Seminars	1%
X-Ray Expenses	4%
Sundry Expenses	19%



Figures shown include SVUH, SMH & SVPH

Income 2005

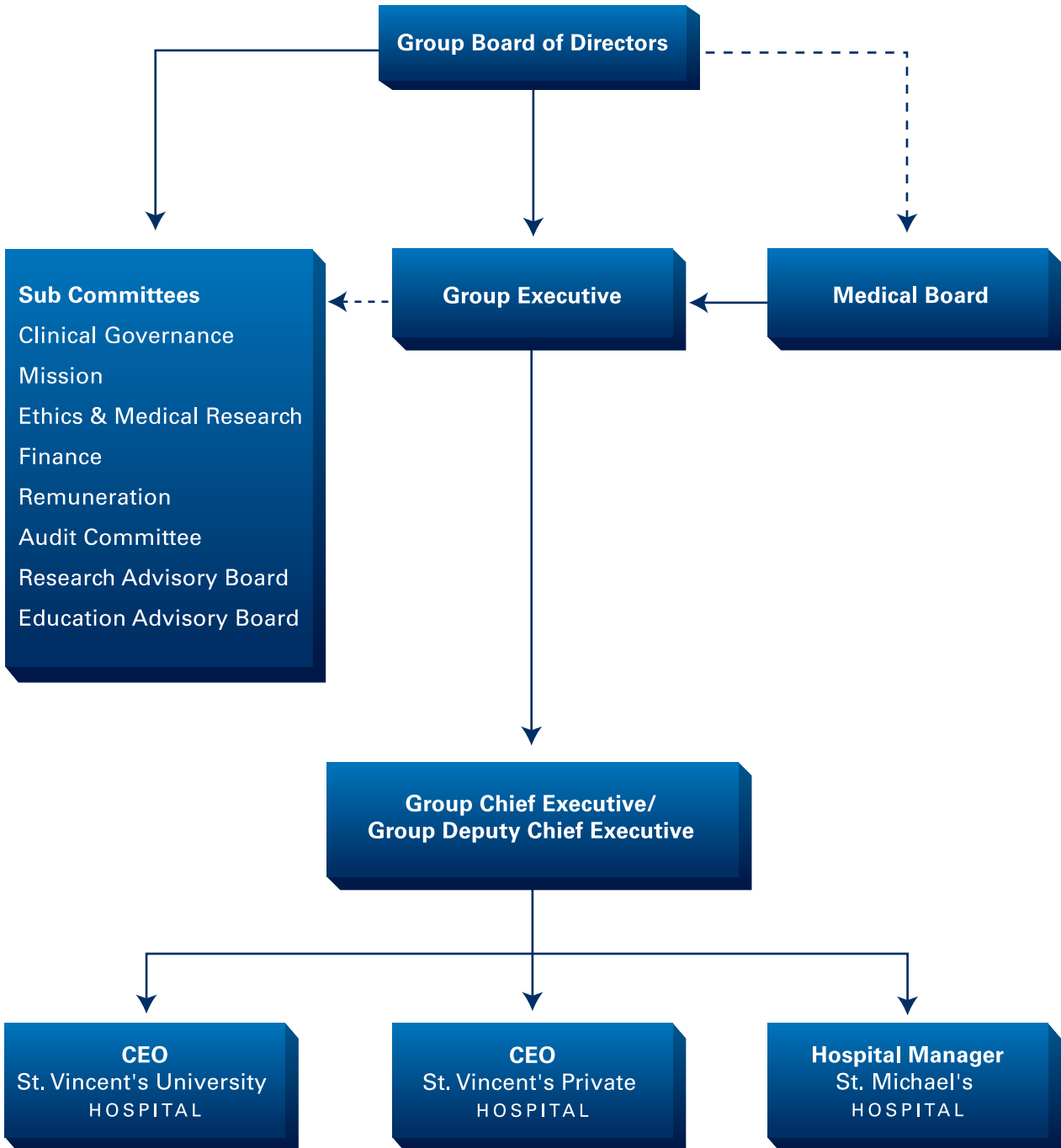
Superannuation	9%
Canteen	2%
RTA etc	1%
Semi-Private	83%
Health Act Inpatient	2%
A&E Charge	1%
Other Income	2%



Figures shown include SVUH, SMH & SVPH

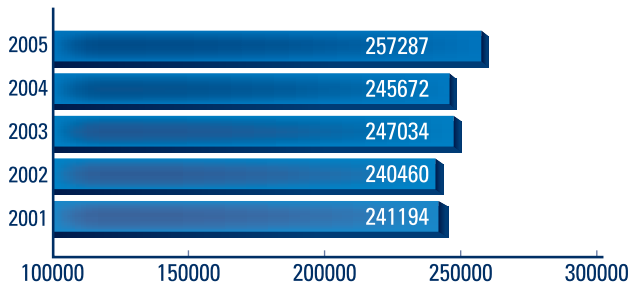
ORGANISATIONAL STRUCTURE

The Group's Governance & Organisational Structure



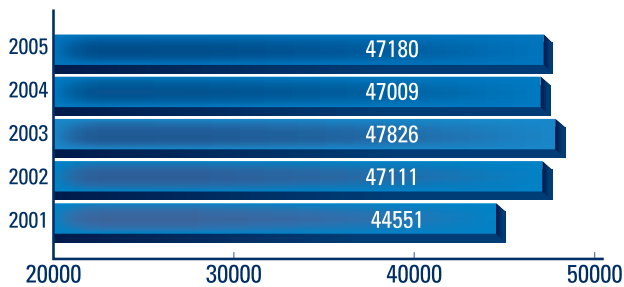
STATISTICS

Bed Days



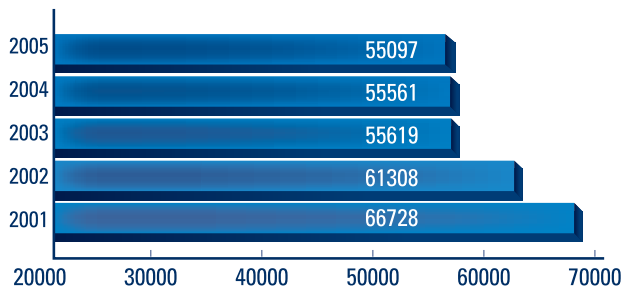
Figures shown above relate to SVUH, St. Michael's Hospital & SVPH

Admissions



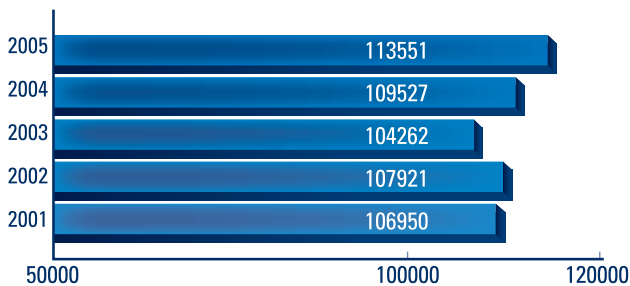
Figures shown above relate to SVUH, St. Michael's Hospital & SVPH

A&E Attendance



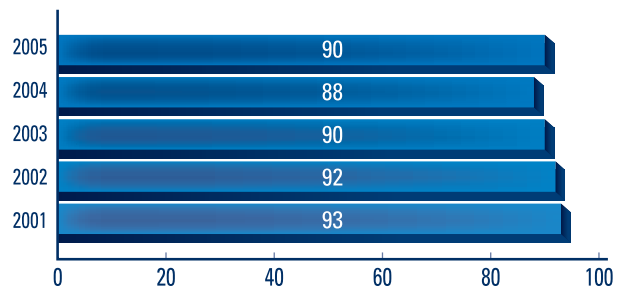
Figures shown above relate to SVUH, St. Michael's only

OPD Attendances



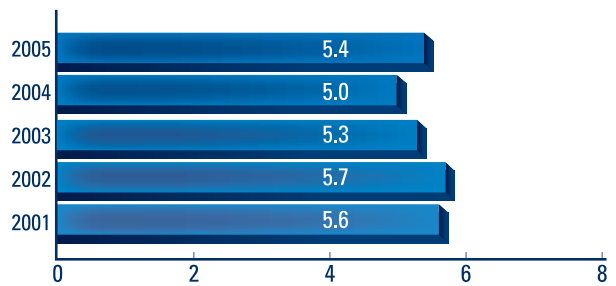
Figures shown above relate to SVUH, St. Michael's Hospital only

% Occupancy



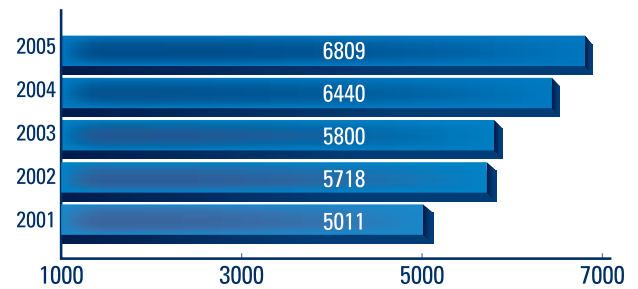
Figures shown above relate to SVUH, St. Michael's Hospital & SVPH

Average Stay



Figures shown above relate to SVUH, St. Michael's Hospital & SVPH

Cost per Patient



Figures shown above relate to SVUH only

DEPARTMENTAL STATISTICS

Department		2003	2004	2005
CARDIOLOGY				
Inpatients (incl. Day-care)	Admissions	1,410	1,572	1,687
	Discharges	1,614	1,710	1,829
Outpatients	New patients	885	981	981
	Total attendances	4,622	5,564	5,829
EMERGENCY MEDICINE				
Inpatients	Admissions	0	0	986
	Discharges	0	0	886
NEPHROLOGY				
Inpatients	Admissions	563	558	529
	Discharges	469	511	454
Outpatients	New patients	165	154	193
	Total attendances	1,370	1,237	1,380
ONCOLOGY				
Inpatients	Admissions	422	352	426
	Discharges	611	580	619
Outpatients	New patients	223	259	322
	Total attendances	1,891	2,011	2,195
RADIOTHERAPY				
Outpatients	New patients	264	254	303
	Total attendances	359	339	410

Department		2003	2004	2005
HAEMATOLOGY				
Inpatients (incl. Day-care)	Admissions	251	193	113
	Discharges	282	220	154
Outpatients	New patients	182	210	153
	Total attendances	1,164	1,280	1,459
ST ANNE'S DAY CENTRE (ONCOLOGY/HAEMATOLOGY)				
PLUS ward patients treated in centre	Admissions	5,124	4,783	5,719
	Discharges	5,124	4,783	5,719
		23	164	164
GENERAL MEDICAL				
Inpatients	Admissions	214	232	294
	Discharges	168	191	240
Outpatients	New patients	18	17	13
	Total attendances	111	85	90
PSYCHIATRY				
Inpatients	Admissions	180	172	375
	Discharges	187	178	364
Outpatients	New patients	227	229	198
	Total attendances	1,776	1,950	1,887
Day Centre	Attendances	893	1,231	1,509
NEUROLOGY				
Inpatients (incl. Day-care)	Admissions	361	344	199
	Discharges	415	394	261
Outpatients	New patients	662	903	920
	Total attendances	2,764	3,387	3,912
PALLIATIVE MEDICINE				
Inpatients	Admissions	0	0	0
	Discharges	0	0	5
RADIOLOGY				
Inpatients (incl. Day-care)	Admissions	0	0	1
	Discharges	0	0	1

DEPARTMENTAL STATISTICS

Department		2003	2004	2005
DERMATOLOGY				
Inpatients (incl. Day-care)	Admissions	3,176	3,023	1,090
	Discharges	3,182	3,025	1,094
Outpatients	New patients	755	751	754
	Total attendances	2,542	2,333	2,245
RHEUMATOLOGY				
Inpatients (incl. Day-care)	Admissions	850	643	492
	Discharges	783	540	423
Outpatients	New patients	992	974	909
	Total attendances	5,515	5,609	5,927
RESPIRATORY & GENERAL MEDICINE				
Inpatients (incl. Day-care)	Admissions	2,057	2,000	1,875
	Discharges	1,905	1,910	1,849
Outpatients	New patients	599	631	654
	Total attendances	5,659	5,752	5,973
ENDOCRINOLOGY				
Inpatients (incl. Day-care)	Admissions	492	513	503
	Discharges	416	459	425
Outpatients	New patients	310	330	339
	Total attendances	2,312	2,359	2,388
DIABETES CLINIC				
Outpatients	New patients	259	297	303
	Total attendances	3,245	3,479	3,614
DIABETES CENTRE				
	Attendances	4,260	5,020	6,265
GERIATRIC MEDICINE				
Inpatients	Admissions	397	405	445
	Discharges	403	429	451
Outpatients	New patients	277	252	221
	Total attendances	820	798	719

Department		2003	2004	2005
GASTROENTEROLOGY & GENERAL MED.				
Inpatients (incl. Day-care)	Admissions	2,429	2,674	2,796
	Discharges	2,334	2,528	2,663
Outpatients	New patients	949	1,064	1,013
	Total attendances	3,444	3,821	3,571
GENERAL SURGERY				
Inpatients (incl. Day-care)	Admissions	4,235	4,107	4,265
	Discharges	4,211	4,081	4,291
Outpatients	New patients	3,605	3,861	4,056
	Total attendances	13,209	13,304	14,114
LIVER CLINIC				
Outpatients	New patients	166	185	160
	Total attendances	1,997	2,160	2,436
HEPATITIS C CLINIC				
Outpatients	New patients	59	29	44
	Total attendances	913	848	738
COLORECTAL CLINIC				
Outpatients	New patients	65	53	75
	Total attendances	705	696	807
PAIN RELIEF				
Inpatients (incl. Day-care)	Admissions	426	463	699
	Discharges	429	468	709
Outpatients	New patients	240	276	300
	Total attendances	2,708	3,238	3,795
VASCULAR SURGERY				
Inpatients (incl. Day-care)	Admissions	513	546	527
	Discharges	527	554	537
Outpatients	New patients	560	625	528
	Total attendances	2,678	2,960	2,645

DEPARTMENTAL STATISTICS

Department		2003	2004	2005
ORTHOPAEDIC SURGERY				
Inpatients (incl. Day-care)	Admissions	1,811	1,746	1,724
	Discharges	1,798	1,759	1,720
Outpatients	New patients	3,412	3,671	3,514
	Total attendances	12,431	13,116	12,978
UROLOGY				
Inpatients (incl. Day-care)	Admissions	2,244	2,229	2,126
	Discharges	2,247	2,228	2,136
Outpatients	New patients	1,102	940	971
	Total attendances	4,399	3,965	3,954
PLASTIC SURGERY				
Inpatients (incl. Day-care)	Admissions	1,289	1,028	854
	Discharges	1,295	1,041	862
Outpatients	New patients	1,053	1,127	1,189
	Total attendances	3,650	3,795	4,228
CARDIO THORACIC				
Inpatients (incl. Day-care)	Admissions	174	160	194
	Discharges	204	170	206
Outpatients	New patients	156	179	179
	Total attendances	628	570	557
GYNAECOLOGY				
Inpatients (incl. Day-care)	Admissions	474	396	260
	Discharges	491	400	267
Outpatients	New patients	645	645	622
	Total attendances	1,652	1,608	1,613
OPHTHALMOLOGY				
Inpatients	Admissions	458	442	365
	Discharges	451	434	363
Day-care	Admissions	1,994	1,729	1,647
	Discharges	1,994	1,729	1,647
Outpatients	New patients	781	729	836
	Total attendances	2,475	2,245	2,262

Department	DEPARTMENTAL STATISTICS			
	2003	2004	2005	
ORTHOPTICS				
	Total attendances	927	777	973
A & E Patients treated in Ophthalmology Dept.	Total attendances	1,016	1,064	1,157
E.N.T. SURGERY				
Inpatients (incl. Day-care)	Admissions	673	578	469
	Discharges	673	578	469
Outpatients	New patients	1,033	1,012	1,085
	Total attendances	2,196	2,370	2,694
AUDIOMETRICS				
	Tests	516	533	503
DENTAL SURGERY				
Inpatients	Admissions	10	6	4
	Discharges	10	6	4
Outpatients	New patients	0	0	0
	Total attendances	0	0	0
PODIATRY				
Outpatients	Total attendances	271	345	495
SUMMARY				
Total Inpatients	Admissions	32,227	30,894	30,664
	Discharges	32,223	30,906	30,648
Total Outpatients	New patients	19,644	20,638	20,835
	Total attendances	87,235	90,879	94,420

DIAGNOSTIC and TREATMENT

DEPARTMENTS	2004	2005	%VARIANCE	Variance
Pathology Test	3,838,016	4,120,072	6.8%	282,056
X-Rays	112,938	116,204	2.8%	3,266
Dialysis Treatments	6,370	6,719	5.2%	349
Pulmonary Laboratory Attendances	3,138	3,147	0.3%	9
Physiotherapy Attendances	69,492	77,912	10.8%	8,420
Social Work Cases	10,671	11,103	3.9%	432
Dietetics Attendances	20,885	19,353	-7.9%	-1,532
Diabetes Centre	5,020	6,265	19.9%	1,245
Vascular Lab. Tests	1,429	1,252	-14.1%	-177
E.C.G. Recordings	16,833	15,987	-5.3%	-846
Theatres:				
Main Theatre	9,859	10,062	2.0%	203
Cardiovascular Theatre	2,356	2,534	7.0%	178
Endoscopy Unit	3,868	4,261	9.2%	393
E.E.G./E.M.G. Tracings	1,548	1,487	-4.1%	-61
Occupational Therapy Treatment Units	41,530	40,028	-3.8%	-1,502
Nuclear Medicine Scans	3,716	3,595	-3.4%	-121

NOTES

St. Vincent's Healthcare

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