

21st Jan 2015

Mr Sean Fleming TD
Leinster House
Dail Eireann
Dublin 2.

Re PQ 45771/15: * To ask the Minister for Health the additional full year cost of providing an extra 500 acute hospital beds, an extra 1,000 acute hospital beds, and an extra 1,500 acute hospital beds, and an extra 2,000 acute hospital beds.. - Sean Fleming.

Dear Mr. Fleming,

I refer to your PQ above which has been referred to me for response.

The existing built infrastructure in our hospital system could not accommodate the numbers of additional beds in your request (500/1,000 /1,500/2,000). Therefore to introduce this number of beds a new build would be required. The capital cost of new hospital build is estimated at €1 million per bed.

The average daily running cost of an Inpatient hospital bed can be calculated from our annual costing cycle. This is €839 and represents all costs of a hospital including:-

- Clinical staffing
- Theatres
- Laboratories
- Non-clinical staffing
- Cleaning, maintenance and other running costs

The €839 is thus a fully absorbed cost but excludes capital and depreciation. The daily cost is calculated from costings submitted by hospitals under the Activity Based Funding programme and is based on 2014, the latest full year for which information is available.

This cost is an average so it amalgamates all the different types of procedures carried out in the hospital – from the most simple and inexpensive, to the most complex and expensive.

If a new hospital was to be built with the average case mix of work and cost of the existing system, the annual daily running cost would be €839 per bed.

The table below shows the cost of both the annual running costs and estimated capital costs for the proposed bed numbers:-

| | Additional Beds | | | |
|--|-----------------|----------------|----------------|----------------|
| Number of Beds | 500 | 1,000 | 1500 | 2,000 |
| Total daily cost per bed | €839 | €839 | €839 | €839 |
| Total annual cost per bed | €306k | €306k | €306k | €306k |
| Annual running cost of new beds with the same service mix | €153m | €307m | €460m | €613m |
| Estimated capital costs | €500m | €1,000m | €1,500m | €2,000m |

Yours sincerely

Sarah Anderson

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