



Rialtas na hÉireann
Government of Ireland

 An tÚdarás Árachas Sláinte
The Health Insurance Authority

The Health Insurance Authority

Annual Report and
Accounts 2023



Our Vision

“Our vision is a well-regulated, competitive health insurance market where consumers are empowered to make informed decisions.”



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Chairperson's Statement



Patricia Byron

Chairperson

It is my pleasure to present The Health Insurance Authority's 2023 Annual Report.

This report charts our progress over the last year regulating a complex and ever-changing health insurance sector. The sector has continued to see a significant increase in claims post-COVID-19 with an attendant marked increase in healthcare inflation. This in turn led to ongoing increases in premiums. We did identify a slowdown in the pace of those taking out new policies, but overall, we still see 47% of the population holding private health insurance.

Market competition and product proliferation remained a challenge for consumers yet again as they sought to identify appropriate and cost-effective health plans. With this in mind, consumer support and education received particular attention over the year with our online comparison tool, helpline, information publications and media initiatives all supporting our outreach.

The management of the Risk Equalisation Fund and recommendations made to the Minister for Health relating to risk equalisation credits and stamp duty remained one of our significant outputs, with a further adjustment in favour of health-related credits applied.

As the Department of Health continues with extensive work incrementally moving private care from public hospitals, we work closely with the private healthcare industry as they evolve and respond to the changing landscape. As a regulator we maintain a balanced and appropriate level of scrutiny, focusing on what is in the best interest of private healthcare consumers.

I would like to extend my particular thanks to Minister Donnelly, Ray Dolan (Interim CEO), the executive team, staff, and Board colleagues for their valued support throughout the year.

Patricia Byron

Board Members

Board Members



Patricia Byron
Chair of the Board



Caroline Barlow



John Armstrong



John Evans



Michael A. O'Sullivan



Damien McShane



Michael Harnett

The Health Insurance Authority (HIA) Board consists of a Chairperson (Patricia Byron) and six ordinary members, all of whom are appointed by the Minister for Health. The members of the Board were appointed for periods of between three and five years and meet at least eight times a year.

The Board has one sub-committee, the Audit and Risk Committee (ARC). Caroline Barlow is Chair of the ARC. The other members of the Audit and Risk Committee as at 31 December 2023 are Michael A. O'Sullivan and John Evans.

Chief Executive's Statement



Ray Dolan

Interim CEO/Registrar

While 2023 was a year of stability and progress for the HIA, the landscape of private health insurance and healthcare was anything but. We have seen an increase in the number of policies as well as several price increases from all insurers. We have also seen progress in respect of Sláintecare with more than 1,500 consultants now signed up to the public-only contracts. We concentrated on implementing our vision with a focus on delivering on our five key strategic priorities, consistent with our purpose and values. Our Annual Report reflects the progress we have made in continuing to fulfil the strategic objectives set out in our three-year strategy.

Throughout 2023, the number of people with health insurance in Ireland continued to rise to 2.48m people. This represents 47% of the overall population, reflecting the continued importance of the sector to a significant proportion of people in Ireland, and therefore the HIA's important role in regulating the sector.

Public and industry trust in the HIA role is a key priority for the organisation. The HIA continues to inspect and audit the health insurance companies for compliance with their obligations under the Health Insurance Acts, particularly claims made to the Risk Equalisation Fund. As the Risk Equalisation Fund grows in magnitude, currently around €800 million, and complexity with the introduction of the high-cost claims pool, we are conscious of our responsibility in managing public funds collected from the stamp duty paid by those with health insurance. In 2023, to meet our strategic priority of ensuring compliance and accountability through regulatory best practice, the HIA continued its inspection activities, broadening into new areas of the registered undertakings obligations under the Health Insurance Acts. We remain committed to publishing the results of our inspections activities into the future.

Insurers continue to be proactive in adjusting individual product benefits and prices, and adding new services and features so that the complexity of the market for consumers remains high. In 2023 there were 350 different plans available to consumers, with 23 new plans introduced and no plans retired. Feedback from our consumer survey shows that many consumers find it difficult to fully understand their health insurance plans and compare options. The HIA is keenly aware of the importance of providing accurate and targeted information to people looking to buy health insurance, and as set out in our strategy, we are actively pursuing a programme for increased consumer engagement.

Consistent with our priority of building consumer trust and empowering consumers to make informed decisions, we expanded the scope and frequency of market information that we publish. This included our consumer survey that was published at the end of the year, our Annual Market Report for 2022, and quarterly bulletins on market and health insurance plan information. In addition to publishing regular updates on our website (www.hia.ie) about changes to health insurance plan details, the HIA also updated its website in January 2023 to make it easier for people to find information about plans, switching, lifetime community rating, break in cover, and other topics. In 2023, the HIA website had approximately 240,000 unique users. The comparison tool was the most visited section of the website, enabling consumers to compare the benefits and prices of all plans available on the market, while “Waiting periods”, “Lifetime community rating”, and “Frequently asked questions” were the most popular consumer information pages. Consumers spent an average of 3:05 minutes on our site.



Social media is another important communications channel for the HIA. The HIA uses four social media platforms – Facebook, Instagram, X, and LinkedIn.

Social media is another important communications channel for the HIA. The HIA uses four social media platforms – Facebook, Instagram, X, and LinkedIn. Although the HIA has been using social media for a number of years, in 2023 we put a new emphasis on these channels, and we created a content calendar with a schedule of two posts per week on Facebook, Instagram, and X, and one post per month on LinkedIn. Prioritising social media and establishing a content schedule allowed us to increase our following on all platforms and reach more consumers.

Queries to the HIA helpline continued to increase in 2023, with 11,264 people contacting the HIA’s helpline for assistance. The main reasons for contacting us included health insurance comparisons, insurer contact details, and information about Lifetime Community Rating and waiting periods.

The HIA’s consumer engagement function continued with clear and consistent messaging to consumers to help them with their health insurance both online and offline. We also continued to expand the number of direct engagements with consumer and community groups, employers and government agencies, to help them understand how to navigate the health insurance market. We did this by attending events like the National Ploughing Championships, and by presenting in-person talks and webinars to consumers.

In line with our priority to develop our people to deliver effective outcomes and high standards of corporate governance, the Board, management and staff moved to a hybrid working environment in 2022. As part of our IT strategy review in 2023 we updated our systems and hardware to enable seamless delivery of service in this environment, including through adopting cloud-based software, an Azure-based database, and hardware more suited to a hybrid environment. We are committed to providing a supportive environment for our staff, ensuring we have the necessary knowledge and skills to fulfil our statutory role, and continuously improving our support for consumers. We expanded our headcount in 2023 as per sanction received in 2022 and our 18th staff member started in January 2024.

The HIA is responsible for the administration and maintenance of the Risk Equalisation Scheme, an essential support to community rating. As part of our commitment to improve our digital capacity, the HIA initiated a project to implement a data management system in order to better manage the Risk Equalisation Fund claims and to improve our capacity to analyse market and claims data. The complexity of the high-cost claims pool made it imperative for the HIA to invest in this enhanced capability in 2022 and to continue these enhancements throughout 2023, to allow it to verify and settle all Risk Equalisation Scheme claims including high-cost claims pool credits accurately and reliably.

The introduction of the high-cost claims pool credit to the Risk Equalisation Scheme was approved by the European Commission as consistent with the application of State Aid. The new credits apply for claims related to contracts beginning on or after 1 April 2022. The HIA settled high-cost claims pool claims to a value of €14.5 million in 2023. Claims paid by insurers, returned benefits (the claims that are allowed to be included in the Risk Equalisation Scheme) and inpatient treatment days per insured person all rose during 2023.

The slower than expected recovery of healthcare during 2022 and higher than expected growth in membership lead to the surplus that had been built up in the Risk Equalisation Fund during the pandemic not being fully eroded. The HIA, therefore, recommended to the Department of Health that this surplus be used to reduce the level of stamp duty. This reduction in stamp duty was approved by the Department in Health and came into force for contracts issued from 1 April 2024.

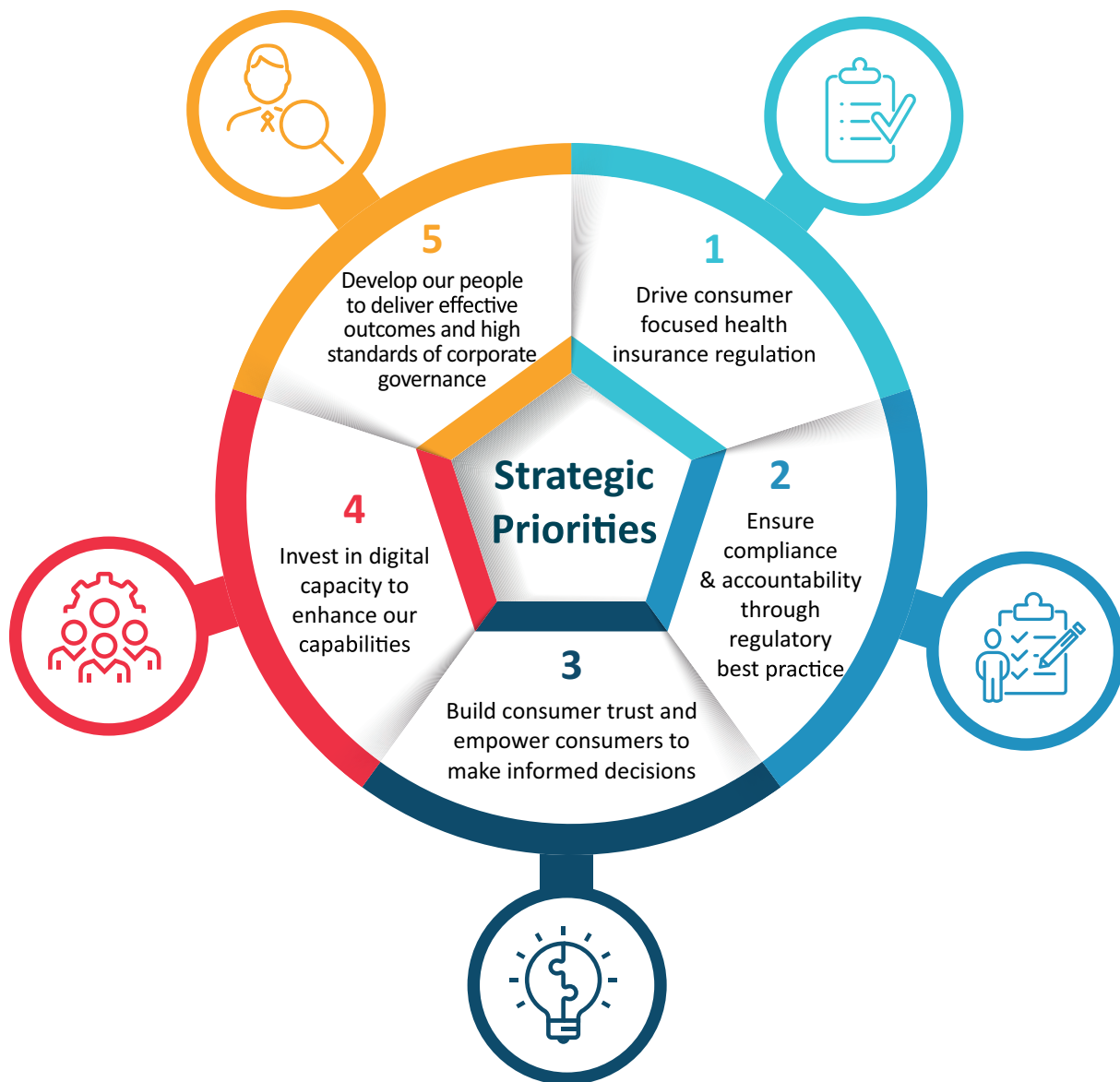
I would like to take this opportunity to thank our staff for their hard work over another productive year. I also want to thank the Department of Health for their assistance throughout the year and all our stakeholders for prioritising effective regulatory oversight of the private health insurance sector, and empowering consumers. We continue to face challenges, in particular the demand for health services and embedding the HIA's role in response to new legislation such as the high-cost claims pool. I am confident the HIA will continue to effectively manage these challenges and deliver on our visions for a well-regulated health insurance market in the consumer interest.

Ray Dolan

Our Strategic Vision

Our three-year strategic plan for 2022-2024 takes account of the HIA's role as a regulator, a provider of consumer information, an adviser to the Minister for Health, a custodian of the Risk Equalisation Fund, and as a competent, effective, learning organisation committed to excellent governance standards.

Our strategy is an ambitious one, and one we are determined to fulfil. We are particularly focused on consumer engagement and information, and the importance of the HIA's role in managing the Risk Equalisation Fund and overseeing other key aspects of health insurance regulation. We want health insurance customers to be aware of their options in the private health insurance market and to know their rights. We want to make it easier for consumers to learn about health insurance plans and make decisions regarding what plan is right for them. We conduct extensive market research to help us in this objective and we continue to forge strong relationships with all of our stakeholders in order to build and maintain trust in the HIA's role.



1

**Drive consumer
focused health
insurance
regulation**



Drive consumer focused health insurance regulation

Technology, society, and health services are evolving at a rapid pace, and the HIA aims to ensure that health insurance regulation remains appropriate for the changing environment and needs of the consumer. We continuously assess the market environment and identify needed changes to regulations so that the Risk Equalisation Scheme remains fit for purpose and delivers on the key policy objectives of community rating, lifetime cover, open enrolment, and minimum benefits.

1.1 Regulatory structure of the market

The Irish private health insurance regulatory system is based on the key principles of community rating, open enrolment, lifetime cover, and minimum benefits. It aims to ensure that private health insurance does not cost more for those who need it most. The system is unfunded, meaning that there is no fund built up over the lifetime of an insured person to cover their expected claims cost. Instead, the money contributed by insured people is pooled by each insurer and the cost of claims in any given year is taken from the pools.

Community rating means that the level of risk that a particular consumer poses to an insurer does not affect the premium that they pay

Community rating means that the level of risk that a particular consumer poses to an insurer does not affect the premium that they pay. Everybody is charged the same premium for a particular plan, irrespective of age, gender, and the current or likely future state of their health subject to exceptions in respect of children under 18 years of age, discounts for members of group schemes, young adults, and lifetime community rating loadings.

Open enrolment and lifetime cover mean that, except in very limited circumstances specified in legislation, health insurers must accept all applicants for health insurance and all consumers are guaranteed the right to renew their policies regardless of their age or health status. If a health insurer is retiring a particular plan, there are strict rules about how similar the alternative plan offered to the consumer must be.

Under the Minimum Benefit Regulations, all insurance products that provide cover for inpatient hospital treatment must provide a certain minimum level of benefits. It is considered necessary to regulate the minimum level of benefits because of the complex and specialist nature of private health insurance products. Without regulation, there is a risk that consumers would be provided with products that do not provide a sufficiently comprehensive level of cover.

Lifetime community rating is a system whereby the premium that individuals pay for health insurance rises with the age they enter the private health insurance market but does not vary in relation to their current age. Lifetime community rating was introduced into the Irish private health insurance market on 1 May 2015 with amendments in 2018. Loadings apply to people aged higher than 34 taking out inpatient private health insurance for the first time after 30 April 2015. However, legislation specifies circumstances under which an individual may receive credited periods which can reduce or remove the loading being applied.

1.2 Regulatory developments in 2023

The Health Insurance (Amendment) Act 2023 was enacted in December 2023. It amended the Health Insurance Act 1994 as follows:

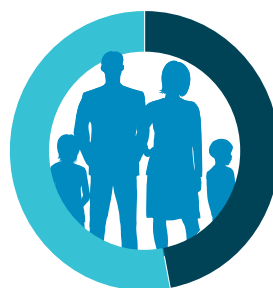
- To specify the amount of credits to be paid from the Risk Equalisation Fund in respect of certain classes of insured persons from 1 April 2024.
- To specify the health-related credits to be paid from the Risk Equalisation Fund in respect of certain claims from 1 April 2024.
- To make a consequential amendment to the Stamp Duties Consolidation Act 1999.
- To provide for related matters.

1.2.1 Risk Equalisation Scheme

A risk equalisation credit is a payment to health insurers made from the Risk Equalisation Fund. These payments are made to support community rating, open enrolment, and lifetime cover. Under community rating, health insurance companies must charge the same premium to all consumers for a given level of coverage. Insurers pay stamp duty into the Risk Equalisation Fund to allow the risk to be shared among the health insurers in order to support community rating.



**321
Plans**



47.6%
of population held
private health
insurance in
December 2022

1.3 The Irish health insurance market in 2023

The HIA monitors and researches the health insurance market and related sectors in Ireland. Our data on prices, customers, plans, claims paid by health insurers, and lengths of stay by patients in hospitals provides excellent insights into the market, allowing us to inform consumers of their options and helping us to understand how the consumer interacts with the market. This understanding lets us identify what regulations may need to be adapted to changing market conditions.

1.3.1 Size of the market

Health insurance coverage continues to grow but the growth is slowing. At the end of 2023, 2.48 million people (including children) had health insurance, which is a 1.6% increase on December 2022. This corresponds to nearly half of the population in Ireland (47%) that had health insurance in 2023. It is important to note that the reason for the decrease from 2022 to 2023 is because there was a significant increase in the total population living in Ireland calculated from the CSO's census results in September 2023. For this reason, the overall population with health insurance percentage figure has decreased, however the number of people with health insurance continues to rise.

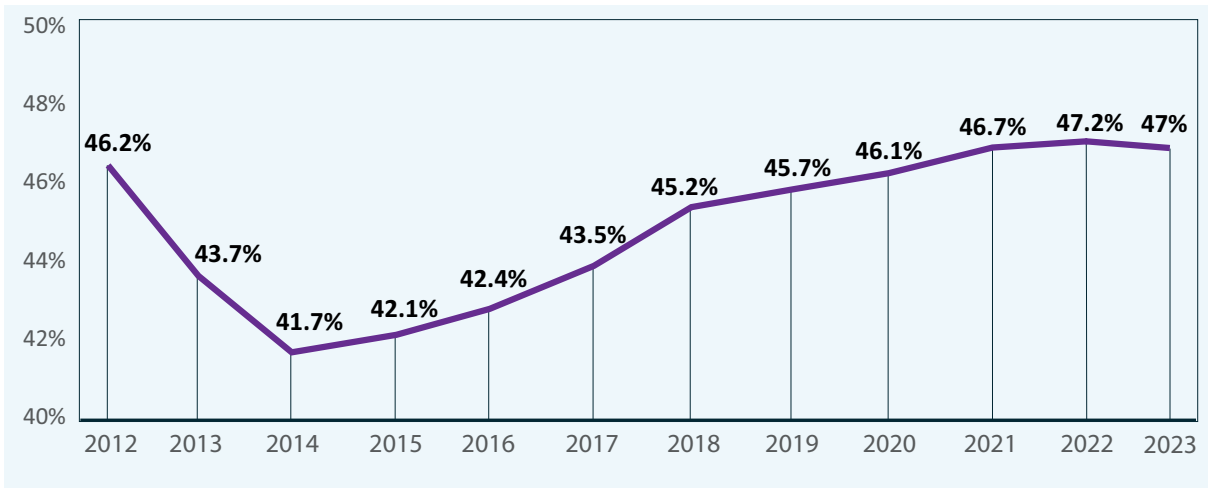


Figure 1: Yearly average percentage of population insured.

The percentage of children with health insurance has been declining in the last few years. In 2023, the number of children insured continued this trend, and the average percentage of children insured stands at 21.9%.

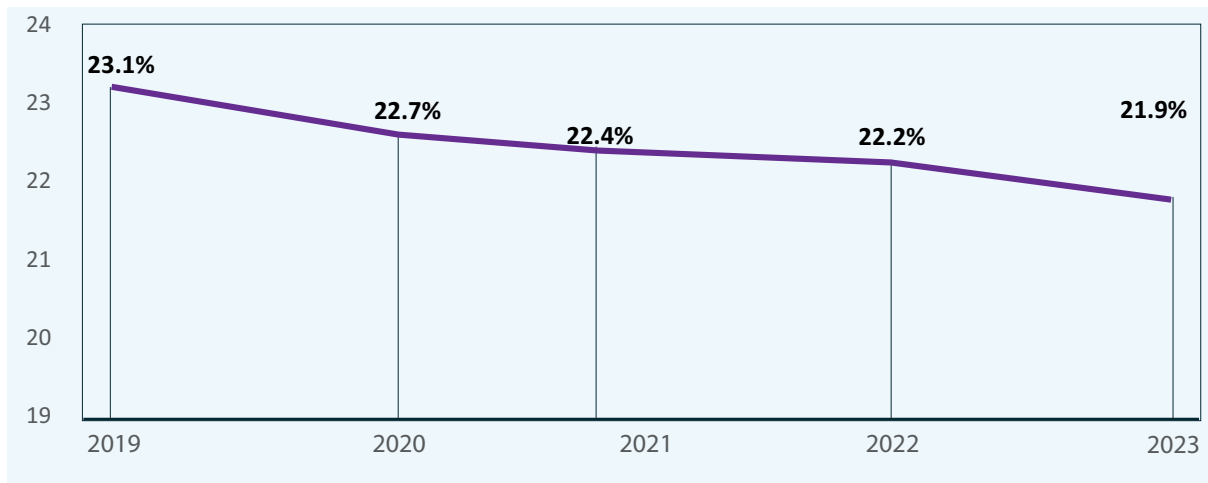


Figure 2: Yearly average percentage of children insured.

When comparing age groups, we can see that those aged 18-39 years old have lower percentages insured compared to the average across all age groups (45.4%). Meanwhile those aged 60-84 have higher percentages insured (greater than 50%).

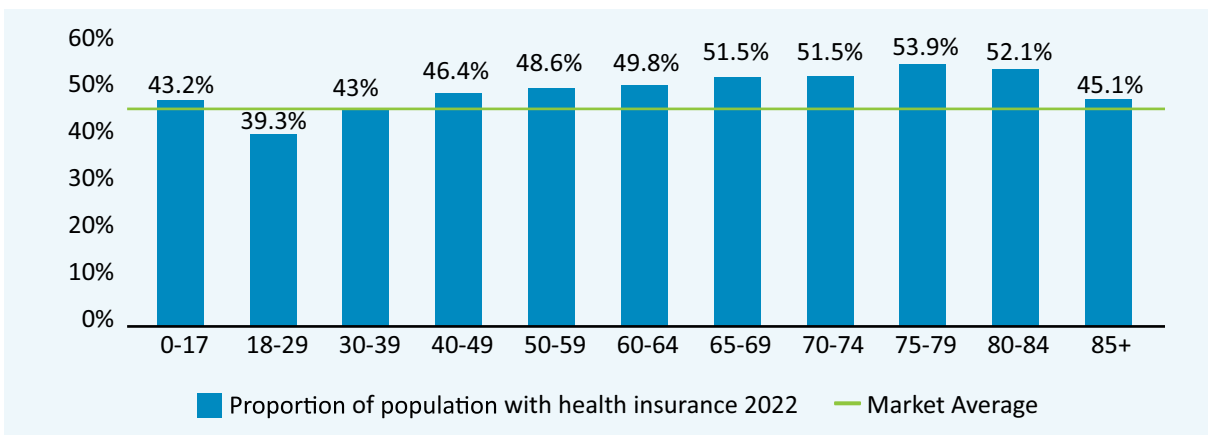


Figure 3: Market penetration by age.

Vhi Healthcare continues to have the largest market share and ended the year at 48.9%. Laya Healthcare continued to increase its market share in 2023, and it now stands at 28%. Irish Life Health remains steady at 20.5%, and Restricted Membership Undertakings (RMUs) at 2.7%. RMUs provide healthcare for members of a defined group only and are usually employer based.

Vhi Healthcare has the largest market share, yet it is not seeing its market share increase considerably. Meanwhile Laya Healthcare has seen the largest quarterly and annual increase at 0.6% and 3% respectively. The reason for the RMU's sharp decline in numbers is the closure of a scheme at the start of 2023.

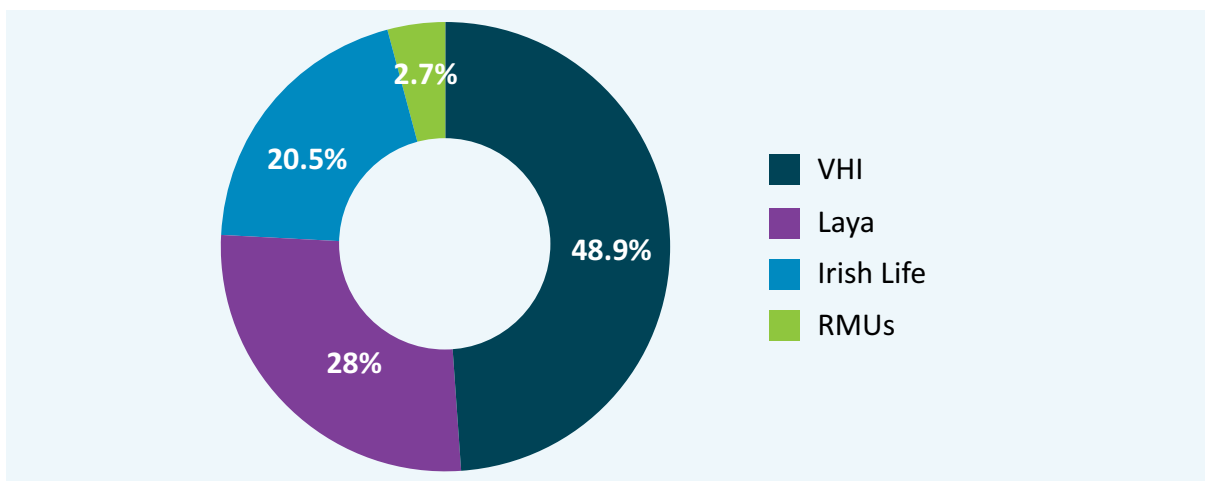


Figure 4: Market share of insurers.

1.3.2 Health insurers' premium income and healthcare claims costs

Total premium income has increased over the previous 12 months and now stands at 3.2 billion euro. This can be attributed to the price increases that all three insurers implemented at various points since the start of 2023 and the moderately increasing numbers purchasing health insurance during the last 12 months. The total level of claims paid by insurers in 2023 rose by 15% on 2022.

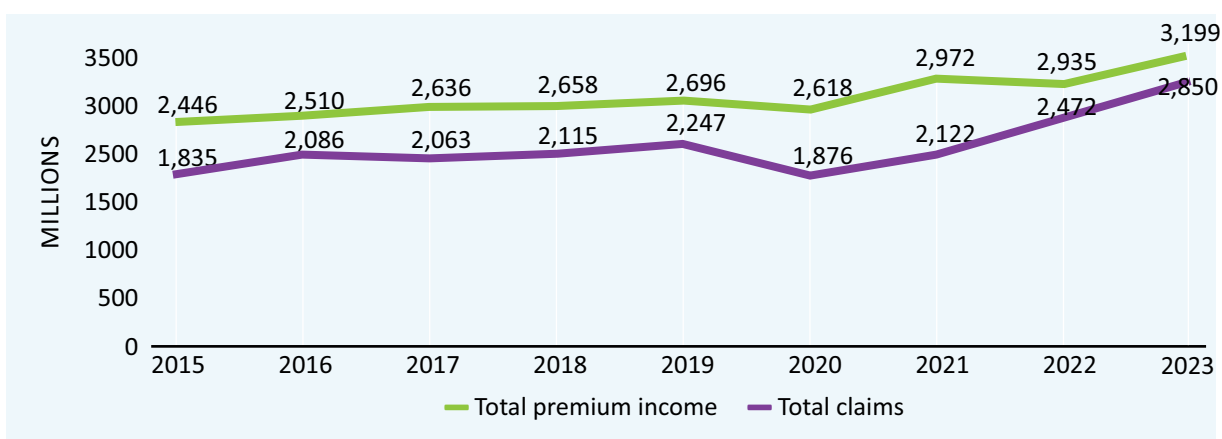


Figure 5: Total premium income versus total claims paid by health insurers 2023.

In 2023, claims for treatment in private hospitals were 47% (up slightly from 46% in 2022). Meanwhile claims for public hospitals decreased to 15% in 2023 (from 17% in 2022). Claims for consultants remained the same as last year (19%), and claims for Other (includes outpatient, GP, and other claims) increased to 19% (from 17% in 2022).

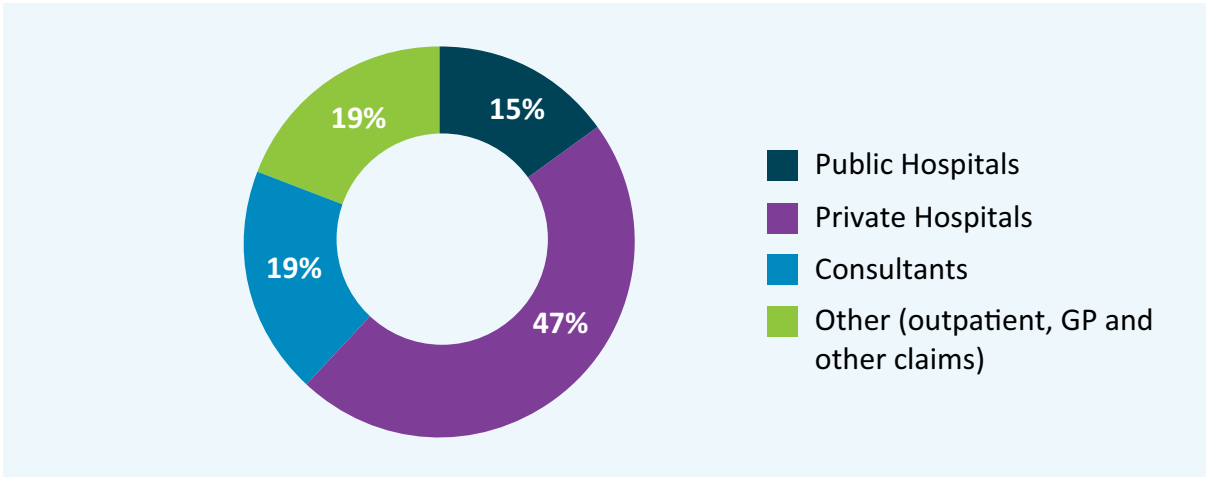


Figure 6: Breakdown of claims paid.

1.3.3 Product developments and price of health insurance

At the end of 2023, there were 350 active in-patient plans: 313 advanced and 37 non-advanced plans. In 2023, no plans were retired, and 23 new plans were introduced. The number of people on advanced and non-advanced plans has remained largely steady since last year, with 92.4% of customers on advanced plans and 7.6% on non-advanced plans.

50% of people with health insurance are on one of 30 plans. Therefore, the choice between plans is concentrated even though there are 350 plans in the market.

VHI:	Laya:	ILH:
PMI 35 13 Company Plan Plus Level 1.3 One+ Plan Public Plus Care day-to-day Company Plan Plus Level 1 Health Plus Extra Health Plus Access One Plan Family Enhanced Care 250 One Plan PMI 36 13 Enhanced Care 350 Company Plan Extra Level 2 Enhanced Care 150 Premium Care Public Plus Care	Inspire Inspire Plus Simply Connect Simply Connect Plus Essential Health 300 Flex500 Explore Essential Connect Family Prime	4D Health 1 4D Health 2 4D Health 4 Horizon 2 Nuture Plan ILH Benefit

30 MOST COMMONLY HELD HEALTH INSURANCE PLANS



The cost of health insurance has increased compared to last year. The average premium for adults was €1,594 on 1 January 2024, which is a 10% increase on the previous year.

The average premium increased by 10% for under 65s and 11% for over 65s from January 2023 to January 2024. People over 65 years old are still paying on average 43% more for health insurance.

Plans where some high profile orthopaedic/ophthalmic benefits are restricted (meaning that the cost of the procedure will not be fully reimbursed by the insurer) have increased in popularity over the years. This trend continued in 2023 with 66% of people with health insurance choosing a plan with restricted orthopaedic cover. These plans tend to be cheaper than those that do not have restrictions and are most popular with those under 65-year-olds, with 73% of this age group choosing plans with restricted orthopaedic benefits.

2

Ensure compliance and accountability



Ensure compliance and accountability

Public and industry trust in the HIA's role is a key priority for the organisation. One of the ways that we generate public trust is by ensuring that the insurers comply with their obligations under the Health Insurance Act. We do this by:

- managing the Risk Equalisation Scheme.
- processing payments under the Risk Equalisation Fund.
- assessing whether the Risk Equalisation Scheme leads to overcompensation of any insurer from the Risk Equalisation Fund.
- ensuring compliance with other aspects of health insurance legislation.

2.1 Irish Risk Equalisation Scheme

Risk equalisation is a process that aims to address differences in insurers' claim costs as a result of differences in the health status of their members. Risk equalisation involves payments to or from insurers related to the risk profile of their membership. The HIA is responsible for administering and maintaining the Risk Equalisation Fund which was established in 2013 under the Health Insurance (Amendment) Act 2012.

The HIA has two main functions under the Risk Equalisation Scheme. We make recommendations to the Minister each year regarding the level of credits payable under the scheme and associated stamp duty, and we also manage the Risk Equalisation Fund, receive claims from the insurers, and make payments from the Risk Equalisation Fund.

The main elements of the Risk Equalisation Scheme are the following:

- Risk equalisation premium credits are payable in respect of older lives insured; they vary on the basis of age, gender, and level of cover.
- Risk equalisation credits are payable in respect of hospital claims, called hospital utilisation credits. A fixed amount is payable from the Risk Equalisation Fund for each inpatient overnight and day-case stay which an insured person spends in private hospital accommodation, or in a publicly funded hospital where a charge is payable under Section 55 of the Health Act 1970 for such a stay.
- High-cost claims credits were introduced in 2022 by the introduction of the high-cost claims pool. This involves compensating insurers directly for members whose claim cost in a 12-month period are much higher than the market average. The aim of the new scheme is to target high-cost low incidence claims.

The registered insurers submit risk equalisation credit claims and returns to the HIA. We validate those claims and determine the payable amounts. Once we are satisfied with the amount of risk equalisation credits due to a registered insurer, we pay the insurer from the Risk Equalisation Fund. Risk equalisation credit payments in 2023 totalled €805 million (including €14.5 million in high-cost claims pool payments). Stamp duty paid into the fund in 2023 amounted to €798 million.

2.2 Overcompensation assessment

We also assess whether the Risk Equalisation Scheme overcompensates any insurer, enabling them to earn more than a reasonable profit. This is based on whether an insurer's return on sales gross of reinsurance and excluding investment activities exceeds a predetermined rate of return per year, calculated on a rolling three-year basis. If the HIA determines under the Health Insurance Acts that an insurer has been overcompensated, we issue a draft report to the insurer. We will then take account of any submissions received from that insurer before making a final determination on overcompensation. A final overcompensation report is provided to the Minister for Health. The insurer must then refund the amount of overcompensation to the Risk Equalisation Fund.

"We report on any areas of non-compliance and outline the findings and recommended actions that should be taken by the market to address this non-compliance"

For the period 2020-2022 inclusive, we evaluated and analysed the information provided to us by the three participants in the Risk Equalisation Scheme and determined that the insurers had not been overcompensated as a result of the Risk Equalisation Scheme.

The Health Insurance Acts have been amended to change the maximum allowable return on sales profit of beneficiaries of the Risk Equalisation Scheme to 4.9% for the three-year period 2020-2022, 5.4% for 2021-2023 and 6% for subsequent three-year periods. The Minister made regulations in 2022 concerning the preparation of financial statements by insurers for the purposes of the overcompensation assessment.

2.3 Inspections

2.3.1 Risk Equalisation Fund

We carry out yearly inspections of each of the registered undertakings to ensure compliance with the regulations of the Risk Equalisation Fund. We report on any areas of non-compliance and outline the findings and the recommended actions that should be taken by the market to address this non-compliance.

The inspections reflect the importance of the security and efficient administration of the Risk Equalisation Fund, and of ensuring robust controls are in place for verifying and paying Risk Equalisation Scheme claims.

2.3.2 Child and young adult discounts

In 2023, the HIA carried out inspections on insurers to determine whether their child and young adult premiums were compliant with health insurance regulations. Prices for children must be discounted by at least 50% before application of tax relief at source. Prices for young adults (18-26) may be discounted, or full adult premium may be charged. If discounts for young adults are applied, the level of discount must be in line with the rates set out in regulation.

The HIA found that all insurers were complying fully with this aspect of the regulations.

3

**Build consumer
trust and
empower
consumers to
make informed
decisions**



Build consumer trust and empower consumers to make informed decisions

Given the large number of health insurance products on the market, buying and switching health insurance can be a difficult decision, and the HIA's aim is to support consumers and to make the process as straightforward as possible. We provide information and guidance to consumers both through our website and comparison tool, and through our consumer helpline and in-person talks and events. Providing free, comprehensive, accurate information is an important way for the HIA to make members of the public aware of their rights as consumers of health insurance and to empower consumers to make informed decisions.

Research plays a key role in understanding the consumers' needs, and the HIA uses its knowledge and understanding of the health insurance market to identify how consumers interact with the market, what the current trends are, and what barriers exist to comparing products and switching providers. Research carried out on our behalf by the Economic and Social Research Institute shows that there are significant levels of customer confusion about how health insurance works, and our aim is to increase awareness of the HIA as a trusted authority that offers support to consumers and that can help them to make an informed choice. The HIA uses a wide range of engagement strategies to reach consumers, including communications campaigns, social media, consumer research, and direct engagement with consumers and stakeholder groups.

3.1 Attitudes towards health insurance

In 2023, Ipsos Behaviour & Attitudes conducted a survey on behalf of the HIA looking at demand for health insurance in Ireland and the public's attitudes and perceptions to it. Key findings from the survey include:

Who has health insurance?

- 22% of all policy holders are over the age of 65.
- Over one in three (35%) are part of a work group scheme, and close to half (44%) have the entirety of their policy paid for, with no choice of health insurer.
- Among those without health insurance, 16% previously had it, but have cancelled it. The main reason for cancelling policies or never having health insurance continues to be affordability, with an additional one in ten mentioning a lack of value for money.

To take out health insurance or not to take out health insurance?

- Health insurance is considered a necessity rather than a luxury, with three in five stating this to be the case. There remains a firm belief that health insurance enables people to access better healthcare services and to fast-track access to those services.
- The role of employers is key for many in terms of having health insurance – nearly one in five cite this as the primary reason that they have a policy. Perceived (inadequate) public services and lack of access/waiting times are also important motivators in taking out health insurance.
- The overarching benefit of having health insurance is access to procedures in private hospitals, followed by cover for semi/private rooms as an in-patient.
- One in three say they would never relinquish their health insurance. Factors that would trigger non-renewal concern expense/affordability or an improved health service.

Views on benefits, cost, and services

- The average perceived cost of policies has increased, reflecting premium increases more recently.
- The majority feel that increases are not appropriate or justified.
- Those over the age of 55 are significantly more likely to be paying substantially more for their health insurance. This age cohort is also prepared to pay a significantly higher premium.
- Policy holders are most satisfied with their insurance provider, and the levels of customer service they receive. Older policy holders (55+) are most satisfied with the range of products and services and the overall cover received.
- 44% acknowledge that it can be difficult to understand how health insurance works, and the terminology that is used.

To switch or not to switch?

- Among those with health insurance, the average length of time having their policy is 20 years. Signalling a high degree of brand loyalty, the average length of time with their current provider is 15 years.
- Almost three in four have kept their level of cover unchanged in the past year, with seven in ten planning to leave level of cover unchanged over the coming year.
- 71% have never switched and 26% claim to have switched provider.
- Cost savings remain the main driver for switching health insurance provider, followed by level of cover/services. Health insurance holders would require a cost saving of 22% to switch.
- More than half of those with health insurance expect that it will be fairly or very easy to switch provider. However, 15% perceive switching as difficult.
- For those who have not switched, their reasons for remaining loyal are that they are simply satisfied with their current supplier (27%), or that they believe there would be no significant cost savings.

3.2 Consumer information helpline

Consumers can contact the HIA by phone and email with any queries or complaints about health insurance. In 2023, the HIA received 11,264 queries and complaints from members of the public. The most common reason that consumers contacted us was a request for comparison between health insurance products (56% of total queries).

Other common queries included:

- Insurer contact details
- Lifetime Community Rating
- Waiting periods
- Buying health insurance after moving to Ireland

3.3 Website and price comparison tool

Our website provides consumers with in-depth and impartial information on a range of health insurance issues, including lifetime community rating, cancelling and switching plans, waiting periods, and making a complaint. The website also has a health insurance comparison tool that provides details of every plan on the market, allowing consumers to compare plans based on price, level of cover, excess, and a multitude of other benefits. Consumers can compare up to four plans at once side-by-side on a range of devices.

In 2023, our website had approximately 240,000 unique users. The comparison tool was the most visited section of the website, while “Waiting periods”, “Lifetime community rating”, and “Frequently asked questions” were the most popular consumer information pages. Consumers spent an average of 3:05 minutes on our site.

3.4 Events

The HIA participated in the National Ploughing Championships in County Laois from 19-21 September 2023. This was a unique opportunity to interact with some of our key target demographics. HIA staff were able to help consumers with queries and offer in-person health insurance comparisons. Following the success of this event, we also participated in the 50 Plus Show in Limerick in November, and we are planning to attend similar events in 2024.



Figure 7: Brittany Fry doing a health insurance comparison with members of the public at the National Ploughing Championships.



Figure 8: HIA staff at the National Ploughing Championships. From left to right: Laura Reidy, Sinead Pembroke, Leah Byrne, and Brittany Fry.

3.5 Media and advertising

3.5.1 Advertising

The aim of our 2023/2024 communications campaign is to build greater awareness of the HIA as a trusted authority, and to advertise our website as a source of free, independent information about all aspects of health insurance. We reused the assets created for our 2022/2023 campaign with the central character “Dad” and the tagline “There’s only one authority on health insurance and it’s us – the Health Insurance Authority”, and we also created new radio ads in both English and Irish building on this theme but introducing new characters. We reached consumers through a variety of media, including radio, podcast in-reads, video-on-demand, and digital display. We also addressed consumers throughout the year using pay-per-click search advertising and social media advertising.



Figure 9: Digital display ad.

3.5.2 Press and radio

The HIA issued several press releases and media statements in 2023 about our own activity and research as well as in reaction to industry updates. We featured in and received requests for comment from a number of national and regional publications, including the Irish Independent, the Irish Times, and RTE. Members of the management team and the Board gave interviews on both national and local stations, which allowed us to spread our messaging across the country and to raise our profile as the regulator of private health insurance.

3.5.3 Social media

In addition to paid social media advertising, we posted organic (unpaid) content on four social media platforms throughout the year – LinkedIn, Facebook, Instagram, and X. Although the HIA has been using social media for a number of years, in 2023 we created a content calendar with a schedule of two posts per week on Facebook, Instagram, and X, and one post per month on LinkedIn. Prioritising social media and establishing a content schedule allowed us to increase our following on all platforms and reach more consumers. In 2023, we achieved 35.6 million impressions on Facebook, and we reached 1.6 million people on Instagram.

We used these platforms to share useful information about various aspects of health insurance, such as tips for choosing a policy and ways to save money, and to share research and industry news. We also posted about upcoming events. We put a particular focus on building our following on LinkedIn. In previous years, we used LinkedIn mainly to advertise job vacancies, but in 2023 we started posting more frequently about health insurance in general and we gained over 150 followers.

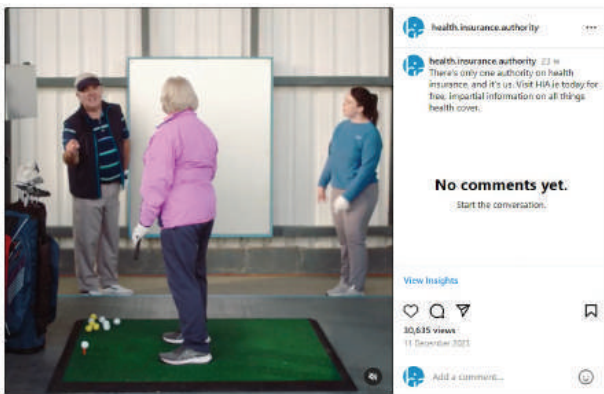


Figure 10: Instagram ad.



Figure 11: LinkedIn post.

4

**Invest in digital
capacity to
enhance our
capabilities**



Invest in digital capacity to enhance our capabilities

The HIA is committed to establishing the resources and capabilities required to ensure that it develops and maintains a technical infrastructure that is secure, highly available, and fit for use, and that allows our staff to readily access the necessary systems and information.

4.1 Enhance our processes

4.1.1 Cybersecurity

Major cybersecurity events such as the HSE hack have highlighted the importance of having a robust cybersecurity system. We are continuously enhancing the protection of our data and systems and raising awareness of the role internal staff play in protecting the organisation from cyberattacks. We also have robust recovery responses in place to support the organisation's business continuity plans.

An audit of our cyber security preparedness was carried out in 2023 and the recommendations from that continue to be implemented.

4.1.2 Hybrid working

We adopted a hybrid working policy in 2023 after trialling various operating models in 2022 and early 2023. Our aim for the hybrid working environment is to drive productivity and collaboration in the organisation while at the same time delivering a better work-life balance for staff. The organisational and IT infrastructure upgrades that the HIA carried out during and after the COVID-19 pandemic facilitated this switch to a new way of working and we have implemented a new IT strategy and new protocols around cyber security that meet the needs of the hybrid working environment. Measures continue to be implemented to support hybrid working including the provision of modern, reliable IT hardware, software and security infrastructure, and a move towards digital platforms for all processes.

4.2 Increase the robustness of our Risk Equalisation Fund

4.2.1 The Risk Equalisation Scheme

The HIA manages significant amounts of data in delivering on its functions. This includes claims data from the health insurers to facilitate payment from the Risk Equalisation Fund, and information on holders of health insurance. With the introduction of the high-cost claims pool credit in April 2022, considerably more data has been and will be submitted to the HIA as part of the assessment of high-cost claims pool claims. This data is increasing in complexity, in part arising from the developments of the Risk Equalisation Scheme. Payments in 2023 in relation to risk equalisation credits totalled €805 million (including high-cost claims pool credits of €14.5 million), while community-rated levies paid into the fund in 2023 amounted to €798 million.

5

**Develop our
people to deliver
effective outcomes
and high standards
of corporate
governance**



Develop our people to deliver effective outcomes and high standards of corporate governance

The HIA recognises that its staff are its most critical asset. We aim to continuously develop and support our staff in order to increase our ability to deliver on our strategic objectives. We apply high standards of governance in our operations, and we actively manage risk.

5.1 Developing our people

We pride ourselves on the quality, experience, knowledge, and dedication of our staff. In order to implement the new structure of the organisation as set out in our strategy and restructure the organisation from a three division to four division model, we carried out a number of recruitment campaigns in 2023 and filled a variety of roles, including Head of Communications and Stakeholder Engagement, Head of Risk Equalisation, and Head of Operations. This increased our capability to deliver on our objectives.



Figure 12: HIA staff. Back, from left to right: Fionnula Scanlon, Sandra Eaton, Christina Prendergast, Sinead Pembroke, Méabh Sexton, Eithne Rafferty, Síle Hanley, Ethelbert Ekoba, Cormac Delaney, Éanna O’Braonain, and Michael McNaughton. Front, from left to right: Laura Reidy, Ray Dolan, Catherine O’Reilly, Eoin Livingston, and Adrienne Smith.

Continuous professional development is one of our core priorities and ensures that knowledge and skills within the organisation continuously align with the HIA’s strategic priorities. We provided training and professional development courses to our staff throughout 2023. Upskilling our staff is essential to developing the knowledge available within our organisation and ensuring we have the necessary skills and competencies to meet our objectives.

We worked to promote a culture of equality, diversity, and inclusion across our organisation and actively promoted staff wellbeing, which was particularly important in a hybrid working environment. We took steps towards implementing UN sustainable development goals 3 and 12 by providing healthy snacks, encouraging movement, and increasing our composting and recycling. We also organised monthly informal discussions where staff members spoke about their roles and their ongoing work to increase understanding and collaboration between different teams.

5.2 Corporate governance

5.2.1 Corporate governance code of practice

The HIA complies with the revised Code of Practice for the Governance of State Bodies (2016) which came into effect on 1 September 2016.

5.2.2 Ethics in public office

The HIA is included in Statutory Instrument No. 699 of 2004 for the purposes of the Ethics in Public Office Acts, 1995 and 2001. Members of the HIA Board and relevant HIA staff have fulfilled their obligations under this legislation.

5.2.3 Protected disclosure

In accordance with Section 21 of the Protected Disclosures Act, 2014 the HIA has established and maintains procedures for current or former employees to make protected disclosures in relation to the HIA and its work and for dealing with such disclosures. Written information about these procedures has been provided to all employees. The HIA's policy can be found on its website at www.hia.ie/about-us/governance.

In 2023, no disclosures were made to the HIA under the Protected Disclosures Act 2014.

5.2.4 Human rights and equality

In accordance with Section 42 of the Irish Human Rights and Equality Commission Act, 2014 the HIA has established and maintains procedures to eliminate discrimination, promote equality and protect the human rights of people that use the HIA's services, people affected by its policies, and people employed by the HIA.

In 2023, no disclosures were made to the HIA under the Irish Human Rights and Equality Commission Act, 2014.

5.2.5 Official languages

The second Health Insurance Authority Language Scheme 2020-2023 was confirmed by the Minister for the Department of Culture, Heritage, and the Gaeltacht, and came into effect on the 1 October 2020. The scheme sets out the measures to be adopted to ensure that services not provided through the medium of Irish will be so provided within the agreed timeframe.

5.2.6 Freedom of information and parliamentary questions

The HIA continues to meet its obligations in relation to the Freedom of Information Act 2014. In 2023, six freedom of information requests were received by the HIA. Of these, three were part granted, two were granted, and one was refused. The HIA also provided information for fifteen parliamentary questions.

5.2.7 Annual report and accounts

The annual accounts for 2023 for both the HIA and the Risk Equalisation Fund (administered by the HIA) were prepared and submitted to the Office of the Comptroller and Auditor General for audit. These accounts have been audited and approved by that office and are set out in Section 6 of this report.

5.2.8 Audit and Risk Committee/internal audit

The functions of the HIA are set out in Section 21(1) of the Health Insurance Acts. The Board established an Audit and Risk Committee (ARC) whose function is to support the HIA in relation to its responsibility for issues of risk, control and governance, and associated assurance.

The ARC met four times in 2023. Membership and attendance at meetings of the ARC throughout 2023 can be found in the Governance Statement in Section 6 of this report. The ARC agreed a programme of internal audits, and during 2023 the ARC directed that a number of audits be conducted on its behalf by Mazars, the HIA's appointed internal auditors. The internal auditors conducted separate audits on the internal financial controls for the HIA and the Risk Equalisation Fund, a review of risk management procedures, and a review of cyber security controls. Reports on each audit containing audit descriptions, audit findings, and management comments were submitted to the ARC and the HIA. The ARC met with both the internal and external auditors during the year. Action plans were prepared by HIA management to address audit findings, and these were monitored by the ARC.

The ARC oversaw the annual financial statements and accounting policy, risk management, internal controls, and value for money issues.

5.3 Risk management

The HIA is exposed to a variety of strategic, operational, and financial risks while carrying out its role and functions. We aim to manage and mitigate risks that could affect our ability to effectively carry out and achieve our functions and objectives.

Risk is managed in the HIA through formal reviews and approval by the Board of changes to the Corporate Risk Register, which identifies the principal risks to the organisation. These reviews take place three times annually, or more frequently if required.

We have a comprehensive risk management policy in place and related risk management processes that operate across the organisation. The Board has ultimate responsibility for the HIA's system of internal control including risk management. The Board is responsible for approving the organisation's risk management policy including risk appetite and monitoring the effectiveness of the overall system of risk management. The HIA's management, staff, Chief Risk Officer, and the ARC each have responsibilities in meeting the HIA's risk policy commitments.

A summary of the HIA's principal risks and uncertainties, as at December 2023, is provided below.

- The Risk Equalisation Scheme underpins the community-rated private health insurance market and supports the HIA's principal objective. The risk of lack of capability to manage and process market claims and data related to the scheme is mitigated by the introduction of a cross-divisional data management system and by using external consultants, and through training and skills development for staff.

- The HIA relies on technology to enable the delivery of its functions. The HIA carries risks related to operational effectiveness and service user access and experience owing to aging website functionality while new infrastructure is being developed, and risk to the HIA’s business continuity should this be impacted by malicious cyber activity or system failure/disruption. To mitigate these risks, we have taken steps to ensure that ongoing systems updates and testing take place, a business continuity plan is established, and antivirus software and cybersecurity infrastructure is in place. A security user awareness and training programme has been completed by all staff. In addition, annual penetration testing is conducted across the HIA’s ICT infrastructure and implementation of recommendations arising from this testing is monitored.
- The HIA employed 17 members of staff in 2023. The risk to continuing operational effectiveness that we will not be able to retain or recruit a suitably qualified senior management team because of our grading system compared to other regulators/state agencies is addressed by our succession plan and the availability of external service providers.
- The HIA is awaiting confirmation from the Department of Public Expenditure and Reform on the funding of pension liabilities for the HIA’s Superannuation Scheme. We are making the necessary deductions from salaries which are retained by the HIA but are not recognised as income. We are also providing for employer contributions to the Superannuation Scheme. The risk that this issue remains unresolved is included on the Corporate Risk Register.

5.4 Energy consumption

The public sector has been set a target by the government of a 50% saving in energy efficiency by 2030. The HIA has one office in a multi-occupancy office building, and we report on our energy performance to the Sustainable Energy Authority of Ireland in accordance with Statutory Instrument 426 of 2014 – European Communities (Energy End Use Efficiency and Energy Services) Regulations 2009.

In 2023, we consumed 120,181 kWh of energy, consisting of:

- 24,178kWh (2020: 21,106kWh) of electricity.
- 2485.04kWh (2020: 14,865kWh) of fossil fuels (heating)

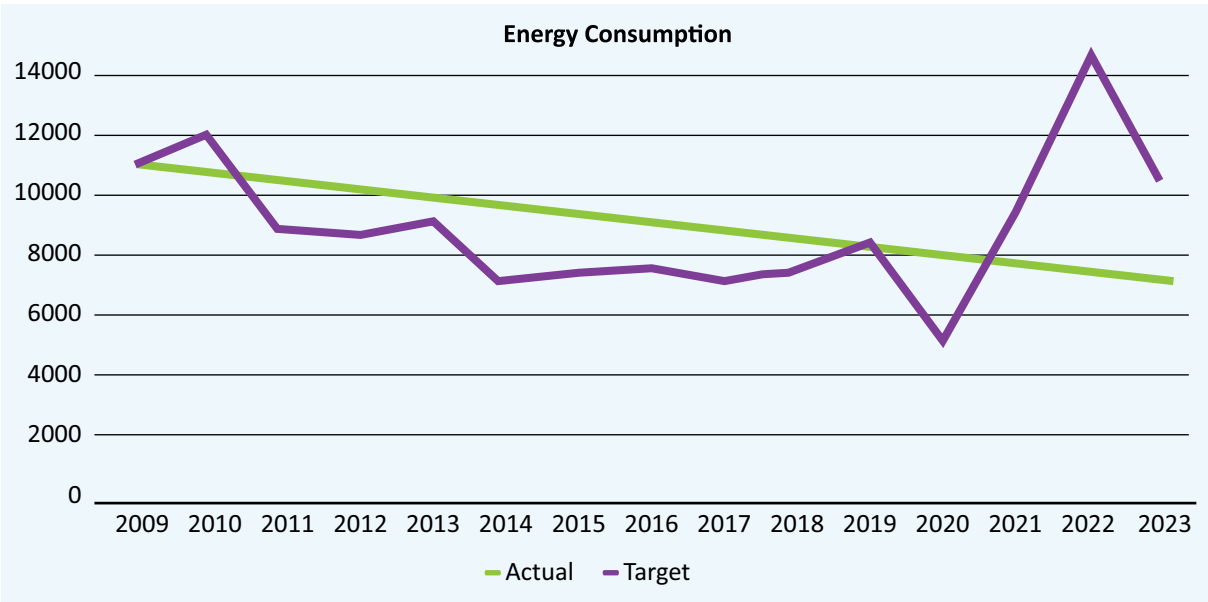


Figure 13: Total primary energy requirement per full-time employee from 2009 to 2023.

Figure 13 shows the historical energy performance for the HIA. The HIA closely monitors its energy usage and implements energy-saving projects including awareness programmes for staff, energy-efficient procurement. We also work with building management to find ways to reduce our energy consumption.

6

**Report and
Accounts 2023**

The Health Insurance Authority

Report and Financial Statements for the year 1 January 2023 to 31 December 2023

To the Minister for Health

In accordance with the terms of Section 32(2) of the Health Insurance Act, 1994, The Health Insurance Authority presents its Report and Accounts for the twelve-month period ended 31 December 2023.

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Authority Information

Members of the Authority	Patricia Byron (Chair) Caroline Barlow Michael A. O’Sullivan Damien McShane Marcella Flood (resigned 28th June 2023) John Armstrong Dr John Evans Michael Harnett (appointed 14th September 2023)
Chief Executive/Registrar	Laura Brien (resigned on 7th July 2023) Ray Dolan [Interim] (appointed 8th August 2023, resigned 3rd June 2024) Brian Lee (appointed 4th June 2024)
Secretary	Owen McCarthy (resigned 8th February 2023) Michelle Keane (BDO) (from February 2023)
Bankers	AIB plc. 7/12 Dame Street Dublin 2
Auditors	Comptroller and Auditor General 3A Mayor Street Upper Dublin 1 D01PF72
Offices	Beaux Lane House Mercer Street Lower Dublin 2 D02 DH60

Governance Statement and Authority Members' Report

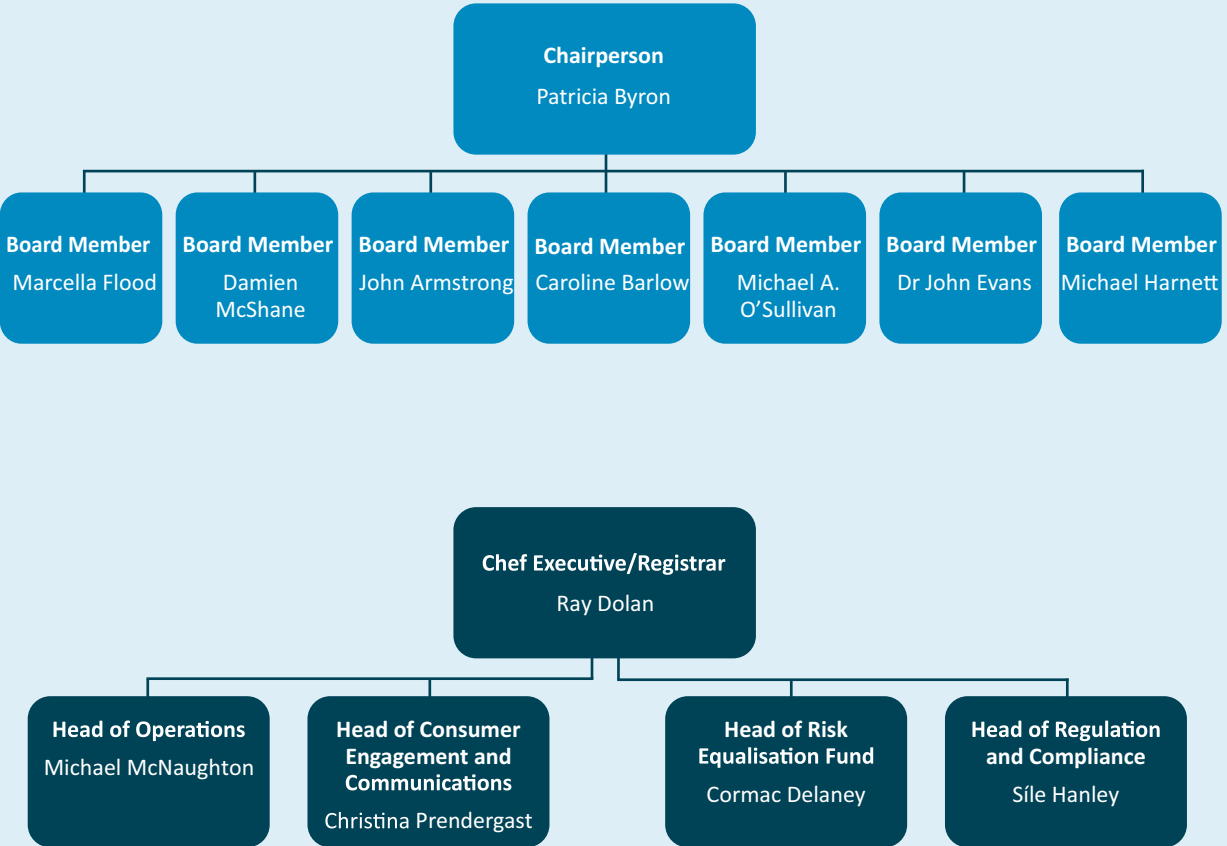
Governance

The Authority was established by Ministerial Order on 1 February 2001, under the Health Insurance Act, 1994 as amended (the "Health Insurance Acts"). Schedule 1 of the Health Insurance Acts establishes the Authority as a corporate body and the arrangements for appointing the Chairperson and Members of the Authority. The Authority consists of seven members appointed by the Minister for Health, one of whom is appointed as Chairperson.

The Authority has put in place Rules of Business (Terms of Reference) which set out the arrangements for Authority membership, the calling and conducting of meetings, the role of the Secretary of the Authority, and the Authority's duties and reporting responsibilities. The Rules are in line with the Code of Practice for the Governance of State Bodies 2016 (the "Code") as published by the Department of Public Expenditure, NDP Delivery and Reform in August 2016.

These arrangements also apply to the Risk Equalisation Fund, responsibility for which, rests with the Authority under the Acts.

Organisational Structure



The functions of the Authority are set out in section 21(1) of the Health Insurance Acts. The Authority reports, in respect of its governance arrangements, to the Minister for Health and is responsible for ensuring good governance and performs this task by setting strategic objectives and targets and taking strategic decisions on all key business issues. The regular day-to-day management, control and direction of the Health Insurance Authority are the responsibility of the Chief Executive/Registrar (CE/R) and the senior management team. The CE/R and the senior management team must follow the broad strategic direction set by the Authority and must ensure that all Members have a clear understanding of the key activities and decisions related to the entity, and of any significant risks likely to arise. The CE/R acts as a direct liaison between the Authority and management.

Authority Responsibilities

The work and responsibilities of the Authority are set out in the Terms of Reference of the Authority, which also contain the matters specifically reserved for Authority decision. Standing items considered by the Authority include:

- declaration of interests,
- reports from committees,
- financial reports/management accounts,
- performance reports, and
- reserved matters.

Section 32(2) of the Health Insurance Acts, requires the Members of the Authority to keep, in such form as may be approved by the Minister for Health with consent of the Minister for Public Expenditure and Reform, all proper and usual accounts of money received and expended by it.

In preparing these financial statements, the Authority is required to:

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that it will continue in operation, and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Authority is responsible for keeping adequate accounting records which disclose, with reasonable accuracy at any time, its financial position and enables it to ensure that the financial statements comply with Section 32(2) of the Health Insurance Acts. The maintenance and integrity of the corporate and financial information on the Health Insurance Authority's website is the responsibility of the Authority.

The Authority is responsible for approving the annual plan and budget. An evaluation of the performance of the organisation by reference to the annual plan and budget was carried out by the Authority on 14 December 2023 and by reference to the full year financial results on 21 March 2024.

The Authority is also responsible for safeguarding its assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority is responsible for the establishment, administration and maintenance of the Risk Equalisation Fund ("the Fund"). The Members of the Authority are responsible for the production and approval of financial statements for the Fund.

The Authority considers that the financial statements of both the Health Insurance Authority and the Fund give true and fair views of the financial performance and the financial positions of both entities at 31 December 2023.

The Authority consists of a Chairperson and six ordinary members, all of whom are appointed by the Minister for Health. The Members of the Authority were appointed for periods of between three to five years and meet at least 8 times per year. The table below details the appointment period for current Members:

Authority Member	Role	Date Appointed	Date Appointment Ends
Patricia Byron	Chairperson	1 July 2021	30 June 2026
Dr John Evans	Ordinary Member	24 June 2021	23 June 2026
Caroline Barlow	Ordinary Member	24 June 2019	23 June 2024
Michael A.O'Sullivan	Ordinary Member	24 June 2019	23 June 2024
Damien McShane	Ordinary Member	5 July 2019 Reappointed 5th July 2022	4 July 2027
Marcella Flood	Ordinary Member	5 July 2019 Reappointed 5th July 2022	4 July 2027 Resigned 28 June 2023
John Armstrong	Ordinary Member	18 September 2019 Reappointed 18th September 2022	17 September 2027
Michael Harnett	Ordinary Member	14 September 2023	4 July 2027

Board and Governance Effectiveness

The Authority undertook an annual self-assessment evaluating its own performance in March 2024.

The Authority has established two committees, as follows:

1. Audit and Risk Committee: consists of at least two Authority Members. The role of the Audit and Risk Committee (ARC) is to support the Authority in relation to its responsibilities for issues of risk, control and governance and associated assurance. The ARC is independent from the financial management of the organisation. In particular the ARC ensures that the internal control systems including audit activities are monitored actively and independently. The ARC reports to the Authority after each meeting, and formally in writing annually.

The Members of the ARC are: Michael A. O'Sullivan (Chairperson up to September 2022), Caroline Barlow (Chairperson from September 2022) and Marcella Flood (resigned on 28th March 2023). Marcella Flood resigned as a member of the ARC on 28th March 2023 and was replaced by John Evans. There were 4 meetings of the ARC in 2023.

2. Performance Liaison Committee: consists of three HIA Authority Members. The Performance Liaison Committee (PLC) was set up in December 2022 and did not meet in 2023. The role of the PLC is to provide for an effective mechanism to facilitate the HIA in considering the performance of the HIA's CEO; in conjunction with the Chairperson of the HIA, liaise with the CEO thereon; and assist in the setting of appropriate objectives as well as monitor discharge of the same in a full, effective, and transparent manner. The Committee reports to the HIA on its activities by way of verbal update from the Committee's Chairperson to the HIA at the meeting of the HIA which follows that of the Committee.

Members of the PLC are: Damien McShane (Chairperson), Michael O'Sullivan, and John Armstrong

Schedule of Attendance, Fees and Expenses

A schedule of attendance at the Authority and committee meetings for 2023 is set out below including the fees and expenses received by each Member:

	Authority	Audit & Risk Committee	Fees 2023 €	Expenses 2023 €
Number of Meetings	10	4		
Patricia Byron	10	-	8,978	181
Dr John Evans	9	4	-	-
Caroline Barlow	10	4	5,985	-
Michael O'Sullivan	8	4	5,985	497
Damien McShane	10	-	5,985	-
Marcella Flood	4	-	4,558	-
John Armstrong	10	-	5,985	-
Michael Harnett	1		--	
			37,476	678

One Member of the Authority, Dr John Evans did not receive a fee under the One Person One Salary (OPOS) principle.

Key Personnel Changes

Marcella Flood resigned as Authority member on 28th June 2023. Marcella Flood resigned as a member of the Audit and Risk Committee on 28th March 2023 and was replaced by John Evans. Michael Harnett was appointed as an authority member on 14 September 2023.

Disclosures Required by Code of Practice for the Governance of State Bodies (2016)

The Authority is responsible for ensuring that the Health Insurance Authority has complied with the requirements of the Code. The following disclosures are required by the Code:

Employee Short-Term Benefits Breakdown

Employees' short-term benefits in excess of €60,000 are categorised into the following bands:

From	Range	To	Number of employees	
			2023	2022
€60,000	-	€69,999	2	1
€70,000	-	€79,999	1	2
€80,000	-	€89,999	1	1
€90,000	-	€99,999	-	1
€100,000	-	€109,999	1	1
€110,000	-	€119,999	-	1
€120,000	-	€129,999	-	-
€130,000	+		-	-

Note: For the purposes of this disclosure, short-term employee benefits in relation to services rendered during the reporting period include salary, overtime allowances and other payments made on behalf of the employee but excluding employer's PRSI.

Consultancy Costs

Consultancy costs include the cost of external advice to management and exclude outsourced 'business-as-usual' functions.

	2023 €	2022 €
Organisational Plan Consultancy	-	29,520
Procurement Support Services	7,603	-
Database Consultancy	14,489	107,130
	22,092	136,650
Consultancy Costs Capitalised	-	-
Consultancy costs charged to the Income and Expenditure and Retained Revenue Reserves	22,092	136,650
Total	22,092	136,650

Legal Costs and Settlements

The legal costs relating to legal proceedings, or settlements are as follows:

	2023 €	2022 €
Legal proceedings	-	-
Legal costs recovered	-	-
Total	-	-

Travel and Subsistence Expenditure

Travel and subsistence expenditure is categorised as follows:

	2023 €	2022 €
Domestic		
Authority	678	352
Employees	3,107	1,145
International		
Authority	-	-
Employees	-	-
Total	3,785	1,497

Hospitality Expenditure

The Income and Expenditure Account includes the following hospitality expenditure:

	2023 €	2022 €
Staff and Authority hospitality	2,103	2,568
Total	2,103	2,568

Statement of Compliance

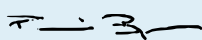
The Health Insurance Authority has materially complied with the requirements of the Code, with the following exceptions:

The Authority has agreed with the Department of Health to modify its compliance with Paragraph 8.48 of the Code on legal disputes where it is stated that “where a legal dispute involves another State body, unless otherwise required by statute, every effort should be made to mediate, arbitrate or otherwise resolve before expensive legal costs are incurred.

State bodies should pursue the most cost effective course of action in relation to legal disputes.” The Authority has qualified the requirement by inserting “(other than a registered undertaking)” after “State body”. This reflects the fact that Section 33B of the Health Insurance Acts requires that “the Authority shall perform the functions conferred on them by or under this Act in such a manner as will result in registered undertakings being treated equally in similar circumstances.”

The Authority has agreed with the Department of Health to modify its compliance with Appendix C, the Framework for a Code of Conduct of the Code, where it is suggested that the Authority’s Code of Conduct should address the issue of loyalty by acknowledging “the responsibility to be loyal to the State body and fully committed in all its business activities while mindful that the organisation itself must at all times take into account the interests of the shareholder.” The corresponding section in the Authority’s Code of Conduct states that “...the organisation must at all times take into account the requirements of its governing legislation”, rather than the “interests of the shareholder”.

The Authority has agreed with the Department of Health the interpretation of Paragraph 3.3 of the Code which states that “if a Board member/Director finds evidence that there is non-compliance with any statutory obligations that apply to the State body, he/she should immediately bring this to the attention of their fellow Board members/Directors with a view to having the matter rectified. The matter should also be brought to the attention of the relevant Minister by the Chairperson indicating (i) the consequences of such non-compliance and (ii) the steps that have been or will be taken to rectify the position. It is the Chairperson’s responsibility to make such issues known to the Minister.” The Authority interprets this requirement as relating to any material non-compliance.



Patricia Byron
Chairperson



Caroline Barlow
Member

24th September 2024
Date

Statement on Internal Control

Scope of Responsibility

On behalf of the Health Insurance Authority (HIA) I acknowledge the HIA's responsibility for ensuring that an effective system of internal control is maintained and operated. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016).

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the HIA for the year ended 31 December 2023 and up to the date of approval of the financial statements.

Capacity to Handle Risk

The HIA has an Audit and Risk Committee (ARC) comprising three Board members, with financial and audit expertise. The ARC met four times in 2023.

The HIA has engaged an independent internal auditor which it has adequately resourced, it operates in accordance with the approved Internal Audit Charter and reports to the ARC. An internal audit plan is developed annually by the ARC using a risk-based approach.

The HIA has developed a Risk Management Policy and Framework which sets out its risk appetite, the risk management processes in place and details the roles and responsibilities of staff in relation to risk. The policy has been issued to all staff who are expected to work within the HIA's risk management policies, to alert management on emerging risks and control weaknesses and assume responsibility for risks and controls within their own area of work.

Risk and Control Framework

The HIA has implemented a risk management system which identifies and reports key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks.

Risk management is a standing item on both the ARC and the Board. A risk register is in place which identifies the key risks facing the HIA and these have been identified, evaluated and graded according to their significance. The risk register is reviewed by the Board three times a year. The outcome of these assessments is used to plan and allocate resources to ensure risks are managed to an acceptable level.

The risk registers detail the controls and actions needed to mitigate risks and responsibility for operation of controls assigned to specific staff. We confirm that a control environment containing the following elements is in place:

- procedures for all key business processes have been documented,
- financial responsibilities have been assigned at management level with corresponding accountability,
- there is an appropriate budgeting system with an annual budget which is kept under review by senior management,
- there are systems aimed at ensuring the security of the information and communication technology systems, and
- there are systems in place to safeguard the assets.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform has been in place in the HIA for the year ended 31 December 2023 and up to the date of approval of the financial statements.

Ongoing Monitoring and Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. We confirm that the following ongoing monitoring systems are in place:

- key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies,
- reporting arrangements have been established at all levels where responsibility for financial management has been assigned, and
- there are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.
- In relation to the Risk Equalisation Fund which is administered by the HIA; significant controls and procedures are in place to ensure that the in- and out-flows of funds are vouched, confirmed and are in accordance with the guiding principles of risk equalisation. Senior management and external actuarial adviser, as well as internal and external auditors, regularly review these controls and the outcomes of these systems of controls.

Procurement

The HIA has an established Procurement Policy and a Procurement Procedure. The HIA's procurement practices are in accordance with the aforementioned documents and follows a detailed 4 year procurement plan and cycle.

The HIA's Procurement Procedure is consistent with the current Office of Government Procurement (OGP) guidelines. In certain instances, it is deemed appropriate to obtain duly authorised exceptions from the Policy and Procedure (i.e. not run a competitive tender process) in respect of services, supplies or works valued above €5,000 (excl. VAT) and below the EU thresholds e.g. for reasons of confidentiality, conflicts of interest, urgency, protection of intellectual property rights, sole source of supply etc.

The HIA is subject to EU Directive 2014/24/EU as implemented in Ireland by the European Union (Award of Public Authority Contracts) Regulations 2016 (the 'Regulations'), in respect of the procurement of services, supplies and works above certain value thresholds set by the EU. Where the Regulations do not apply – either because the value of the procurement is below the EU thresholds or falls outside of the Regulations – the HIA adopts a process (in accordance with this Procurement Policy and Procedure as outlined above) that is designed to achieve the best value for money. Exceptions to the HIA's Procurement Policy and Procedure are approved by senior management and disclosed to the Board (no exceptions were applied in 2023).

The use of exceptions under the HIA's Procurement Policy and Procurement Procedure does not amount to non-compliant procurement. For contracts that are valued above the EU thresholds, EU legislation applies, and the Regulations permit exceptions from a competitive EU tender process in very restricted circumstances.

The HIA's Procurement Policy and Procurement Procedure remain under regular review.

Review of Effectiveness

I confirm that the HIA has procedures to monitor the effectiveness of its risk management and control procedures. The HIA's monitoring and review of the effectiveness of the system of internal control is informed by the work of external auditors, the Audit and Risk Committee which oversees their work, and the senior management within the HIA responsible for the development and maintenance of the internal financial control framework.

I confirm that the HIA conducted an annual review of the effectiveness of the internal controls for 2023.

Internal Control Issues

No weaknesses in internal control were identified in relation to 2023 that require disclosure in the financial statements.

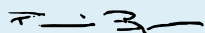
Non-compliant Procurement in 2022

In 2022 a number of non-compliant procurements were identified as a result of very high senior staff turnover, these procurements were remediated in 2023 and the terms of these contracts and the amounts paid were retrospectively benchmarked and found to be within OGP levels.

A number of payments have been made in 2023 in respect of 2022 non-compliant procurement processes as disclosed in our 2022 accounts, but these contracts have since been re-tendered.

As a result of these findings in 2022 the HIA's Procurement Policy and Procedures were systematically reviewed in 2023 and senior staff and expert contractors were recruited with expertise in public procurement rules.

On Behalf of the Members of the Health Insurance Authority Board;



Patricia Byron
Chairperson

Date: 24th day of September 2024



Ard Reachtaire Cuntas agus Ciste **Comptroller and Auditor General**

Report for presentation to the Houses of the Oireachtas

Health Insurance Authority

Qualified opinion on the financial statements

I have audited the financial statements of the Health Insurance Authority for the year ended 31 December 2023 as required under the provisions of section 32 of the Health Insurance Act 1994. The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, except for the non-compliance with the requirements of FRS 102 in relation to retirement benefit entitlements referred to below, the financial statements give a true and fair view of the assets, liabilities and financial position of the Health Insurance Authority at 31 December 2023 and of its income and expenditure for 2023 in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Basis for qualified opinion on financial statements

Non-recognition of accrued pension liabilities

In compliance with the directions of the Minister for Health, the Health Insurance Authority does not account for its accrued retirement benefit liability. This does not comply with FRS 102 which requires that the financial statements recognise the full accrued liability at the reporting date.

As explained in note 10 to the financial statements, the Authority has estimated the liability in relation to the Employee Superannuation Scheme (for pre-2013 staff) at €2.98 million at 31 December 2023. Pension contributions (from the employer and employees) in relation to members of that scheme are retained by the Authority and held as a reserve and are applied to meet pension payments as they arise. The balance in that reserve is recognised as an accumulated pension provision (€2.5 million at 31 December 2023).

Basis of audit

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Health Insurance Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report of the C&AG (continued)

Report on information other than the financial statements, and on other matters

The Health Insurance Authority has presented certain other information together with the financial statements. This comprises the annual report including the governance statement and Authority members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.



Andrew Harkness
For and on behalf of
Comptroller and Auditor General

27 September 2024

Appendix to the report

Responsibilities of Authority members

As detailed in the governance statement and Authority members' report, the Authority members are responsible for

- the preparation of annual financial statements in the form prescribed under section 32 of the Health Insurance Act 1994
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 32 of the Health Insurance Act 1994 to audit the financial statements of the Health Insurance Authority and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Health Insurance Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Health Insurance Authority to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

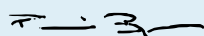
Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

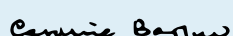
I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

**Statement of Income and Expenditure and Retained Revenue Reserves
for the year ended 31 December 2023**

	Notes	12 months ended 31 December, 2023 €	12 months ended 31 December, 2022 €
Income	2	3,164,441	2,812,418
Administration costs	3	(3,750,185)	(2,931,030)
Excess of (expenditure over income)/ income over expenditure		(585,744)	(118,612)
Interest receivable		66,079	1,038
(Deficit) / Surplus for the year		(519,665)	(117,574)
Retained revenue reserves at beginning of year		9,575,562	9,693,136
Retained revenue reserves at end of year		9,055,897	9,575,562



Patricia Byron
Chairperson



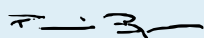
Caroline Barlow
Member

Date 24th September 2024

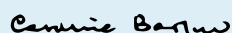
Notes 1 to 14 form part of these Financial Statements.

Statement of Financial Position as at 31 December 2023

	Notes	2023 €	2022 €
Fixed assets			
Tangible assets	6	212,752	286,171
Assets Under Development	6	233,807	105,129
		446,559	391,300
Current assets			
Cash and cash equivalents		10,008,521	10,812,857
Prepayments and other debtors	7	1,545,670	1,225,276
		11,554,191	12,038,133
Creditors (amounts falling due within one year)			
Creditors and accruals	8	(2,944,853)	(2,853,871)
Net current assets		8,609,338	9,184,262
Total assets less current liabilities		9,055,897	9,575,562
Net assets		9,055,897	9,575,562
Represented by			
Retained revenue reserves		9,055,897	9,575,562
		9,055,897	9,575,562



Patricia Byron
Chairperson



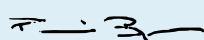
Caroline Barlow
Member

Date 24th September 2024


Notes 1 to 14 form part of these Financial Statements.

Statement of Cash Flows for the year ended 31 December 2023

	Notes	2023 €	2022 €
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating (deficit) / surplus for year		(519,665)	(117,574)
Depreciation	6	133,831	127,984
(Increase) / Decrease in debtors	7	(320,394)	(136,281)
Increase / (Decrease) in creditors	8	90,982	65,539
Net cash (outflow) / inflow from operating activities		(615,246)	(60,332)
Cashflow from investing activities			
Payments to acquire tangible fixed assets	6	(189,090)	(105,129)
		(804,336)	(165,461)
Cashflow from financing activities			
Interest earned		(66,070)	(1,038)
Interest received		66,070	1,038
(Decrease) / Increase in cash and cash equivalents		(804,336)	(165,461)
Cash and cash equivalents at 1 January		10,812,857	10,978,318
Cash and cash equivalents at 31 December		10,008,521	10,812,857
(Decrease)/ Increase in cash and cash equivalents		(804,336)	(165,461)



Patricia Byron
Chairperson



Caroline Barlow
Member

Date 24th September 2024

Notes 1 to 14 form part of these Financial Statements.

Notes (forming part of the financial statements)

1. Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Statement of Compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 “The Financial Reporting Standard Applicable in the UK and Republic of Ireland” (“FRS102”), as modified by the directions of the Minister for Health in relation to superannuation. In compliance with the directions of the Minister for Health, the Authority accounts for the costs of superannuation entitlements only as they become payable (see Retirement Benefit accounting policy below). The basis of accounting does not comply with FRS 102, which requires such costs to be recognised in the year in which the entitlement is earned.

Basis of Preparation

The financial statements have been prepared on the accruals basis of accounting in accordance with generally accepted accounting principles and under the historical cost convention.

The financial statements of the Authority are presented in Euro (“€”) which is also the functional currency of the Authority.

The Authority is of the opinion that there are no critical judgements that have a significant impact on the amounts recognised in the financial statements.

Levy Income

The levy income represents the amount receivable by the Authority in respect of the period. This takes account of payments made to the Authority in accordance with the Health Insurance Act 1994 as amended. The reasonableness of this figure is checked against the expected levy income based on the Authority’s profile of private health insurance schemes.

Expenditure Recognition

Expenditure is recognised in the financial statements on an accruals basis as it is incurred.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation, charged to the Statement of Income and Expenditure and Retained Revenue Reserves, is calculated in order to write off the cost of fixed assets over their estimated useful lives, under the straight-line method, at the annual rate of 33 1/3% for computer equipment and website development and 20% for all other assets from date of acquisition.

Foreign Currencies

Transactions denominated in foreign currencies are converted into Euro during the year and are included in the Statement of Income and Expenditure and Retained Revenue Reserves for the period.

Monetary assets and liabilities denominated in foreign currencies are converted into Euro at exchange rates ruling at the reporting date and resulting gains and losses are included in the Statement of Income and Expenditure and Retained Revenue Reserves for the period.

Risk Equalisation Fund

The Risk Equalisation Fund (the Fund) was established on 1 January 2013 under the Health Insurance (Amendment) Act 2012. The Authority is responsible for maintaining and administering the Fund and recoups the costs incurred from the Fund. The basis for recouping costs comprises full apportionment of costs which are directly related to the Fund and partial apportionment of costs incurred by the Authority as set out in **Note 13** of the financial statements. Separate financial statements are prepared by the Authority for the Fund on an annual basis.

Retirement Benefits

In accordance with Section 28 of the Health Insurance Act, 1994, the Authority may, with the consent of the Minister for Health and the Minister for Public Expenditure and Reform, make a scheme for the granting of superannuation benefits to staff members of the Authority. The Authority Employee Superannuation Scheme (SI 637 of 2016) ("the Scheme") was signed 21 December 2016 in which the Rules set out in the Schedule to the Rules for Pre-existing Public Service Pension Scheme Members Regulations 2014 (S.I. No. 582 of 2014) are adopted as a Scheme for the granting of superannuation benefits to or in respect of members of the staff, including the Registrar, of the Authority, as appropriate. The Authority is making the necessary deductions from salaries which are retained by the Authority, but are not recognised as income. The Authority is also providing for employer contributions to the Scheme. The Authority is in discussion with the Department of Health in regard to the Authority's pension funding mechanism. The Scheme is a defined benefit superannuation scheme for employees. Pending the outcome of these discussions pension payments under the scheme are met from the accumulated pension provision (€2,510,989 as at 31st December 2023). By direction of the Minister for Health, no provision has been made in respect of benefits payable in future years.

The pension liability for the employee superannuation scheme at 31 December 2023 is €2,980,000. The pension liability for this scheme is not reflected in these financial statements. See Note 10 for further details.

New Entrant staff employed by the Authority after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The Authority makes the necessary deductions from salaries for staff who are part of the scheme. Employee and employer contributions are transferred to the Department of Public Expenditure, NDP Delivery and Reform on a monthly basis in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

2. Income

Section 17 of the Health Insurance Act, 1994 provides for the payment of an income levy by registered undertakings to the Authority every quarter in order to fund the operations of the Authority and make adequate provision for contingencies. Statutory Instrument 528/2014, Health Insurance Act 1994 (Section 17) Levy Regulations 2014 amended the income levy to its current rate of 0.09% which applied in 2022 and 2023.

	2023 €	2022 €
Income Levy	2,734,796	2,500,591
Recharged Risk Equalisation Fund costs (Note 13)	429,645	311,827
	3,164,441	2,812,418

3. Administration Costs

	2023 €	2022 €
Salaries, pension cost and other staff costs (Note 4)	1,284,891	1,036,976
Training costs	26,114	16,799
Directors' Fees (Note 4)	37,476	37,407
Rent, Service Charges and Maintenance	313,236	291,180
Consultancy (Note 5)	506,337	507,282
Insurance	35,851	29,133
Computer and Stationery Costs	109,025	63,887
Other Administration Costs	103,000	86,462
Consumer Information	1,186,424	720,620
Audit	14,000	13,300
Depreciation	133,831	127,984
	3,750,185	2,931,030

Administration expenses of €429,645 (2022: €311,827) in respect of the Risk Equalisation Fund are recouped from the Fund and treated as income. This figure includes the REF share of Salary and Staff Costs, Rent/Service Charges/Maintenance, Computer and Stationery Costs together with other Administration Costs as set out in Note 13.

4. Remuneration

The objective of the disclosure is to provide information on remuneration in State bodies, in terms of the total expenditure incurred by the State body and remuneration arrangements of key staff including the CE/R and other key management. Employee benefits, as defined by Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102"), includes salaries and pension costs, termination benefits, post-employment benefits, other long-term benefits and share based payment transactions.

Directors Fees

Fees payable to individual board members for 2023 Patricia Byron (Chairperson) €8,978 (2022: €8,978), Dr John Evans €Nil (2022: €Nil), Michael A. O'Sullivan €5,985 (2022: €5,985), Damien McShane €5,985 (2022: €5,985), Caroline Barlow €5,985 (2022: €5,985), John Armstrong €5,985 (2022: €5,985) Marcella Flood €4,558 (2022: €4,489), Michael Harnett €Nil (2022 €Nil)

Expenses paid to board members in 2023 were €678 (2022: €352).

Employee Remuneration

Under FRS102 key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

a) Aggregate Employee Benefits

	2023 €	2022 €
Salaries	762,099	721,459
Employers contribution to social welfare	74,365	81,461
Employer Pension cost (Note 10)	85,709	100,645
Employer SPSPS (DPER)	46,232	60,183
Contracted staff	316,486	73,228
Total	1,284,891	1,036,976

In addition in 2023: €18,744 (2022: €25,759) was deducted from staff by way of additional superannuation contributions and was paid over to the Department of Health.

The total number of staff employed (WTE) at year end of 31 December 2023 was 17 (2022: 10)

(b) Staff Salaries, Pension & Short-Term Benefits

	2023 €	2022 €
Basic pay	762,099	721,459
Overtime		
Allowances		
Total	762,099	721,459

(c) Key Management Personnel

Key management personnel in the Authority consists of Members of the Authority, the CE/R, the Head of Operations, the Head of Consumer Engagement and Communications, the Head of Risk Equalisation Fund and the Head of Regulation and Compliance. The total value of employee benefits for key management personnel is set out below:

	2023 €	2022 €
Salary	350,892	454,144
Allowances		
Termination benefits		
Health Insurance		
Contracted staff	240,469	43,504
Total	591,361	497,648

This does not include the value of retirement benefits earned in the period. The key management personnel are members of the Health Insurance Authority pension scheme or the Single Public Service Pension Scheme and their entitlements in that regard do not extend beyond the terms of the model public service pension scheme or the Single Public Service Pension Scheme.

(d) Chief Executive/Registrar Salary and Benefits

The CE/R remuneration package for the financial period was as follows:

	2023 €	2022 €
CE/R (resigned on 7th July 2023)	69,571	125,713
Interim (appointed 8th August 2023)	29,011	
Total	98,582	125,713

Neither the CE/R nor the interim CE/R received travel and subsistence for 2023 of €Nil (2022: €Nil).

The Interim CE/R is a not member of the Employee Superannuation Scheme.

The CE/R was a member of the superannuation scheme and her entitlements in that regard did not extend beyond the benefits of that scheme. The value of the retirement benefits earned in that period is not included in the above.

The CE/R and the interim CE/R did not receive any perquisites or benefits in 2023.

5. Consultancy Costs

	2023 €	2022 €
Accountancy and Internal Audit	58,174	45,344
Actuarial Services	29,151	3,321
Legal Services	36,653	50,171
Communications	44,588	45,183
Research	119,947	52,758
Recruitment	68,129	39,668
Database Consultancy	14,489	107,130
Procurement Support	7,603	
Superannuation	816	7,815
Organisational Plan Consultancy		29,520
Translation Services	1,732	2,214
Economic consultancy	125,055	148,830
	506,337	507,282

6. Tangible Fixed Assets

	Computer Equipment €	Office Fitting, Furniture & Equipment €	Website Develop- ment €	Office Fit Out €	Assets Under Develop- ment €	Total €
Cost						
At 31 December 2022	94,933	126,168	333,442	432,046	105,129	1,091,718
Additions during year	53,012	7,400	-	-	128,678	189,090
Disposals during year	(1,999)	-	-	-	-	(1,999)
At 31 December 2023	145,946	133,568	333,442	432,046	233,807	1,278,809
Depreciation						
At 31 December 2022	84,934	64,211	333,442	217,831	-	700,418
Charge for year	23,088	24,334	-	86,409	-	133,831
Depreciation on disposals	(1,999)	-	-	-	-	(1,999)
Prior Year Adjustment	904	535	-	(535)	-	904
At 31 December 2023	106,023	88,545	333,442	304,240	-	832,250
Net Book Value						
At 31 December 2023	39,923	45,023	-	127,806	233,807	446,559
At 31 December 2022	9,999	61,957	-	214,215	105,129	391,300

In respect of prior year

	Computer Equipment €	Office Fitting, Furniture & Equipment €	Website Development €	Office Fit Out €	Assets Under Development €	Total €
Cost						
At 31 December 2021	94,798	124,864	333,442	432,581	-	985,685
Additions during year	-	-	-	-	105,129	105,129
Disposals during year						
Prior Year Adjustment	135	1,304	-	(535)	-	904
At 31 December 2022	94,933	126,218	333,442	432,046	105,129	1,091,718
Depreciation						
At 31 December 2021	66,412	39,719	333,442	131,957	-	571,530
Charge for year	17,618	23,957	-	86,409	-	127,984
Depreciation on disposals						
Prior Year Adjustment	904	535	-	(535)	-	904
At 31 December 2022	84,934	64,211	333,442	217,831	-	700,418
Net Book Value						
At 31 December 2022	9,999	61,957	-	214,215	105,129	391,300
At 31 December 2021	28,386	85,145	-	300,624	-	414,155

7. Prepayments and Other Debtors

	2023 €	2022 €
Accrued Income	682,071	677,941
Prepayments and Other Debtors	98,839	23,210
Travel Cards / Bike to Work	-	750
Risk Equalisation Fund	723,355	487,966
Other Debtors	41,405	35,409
	1,545,670	1,225,276

8. Creditors (amounts falling due within one year)

	2023 €	2022 €
Trade creditors and accruals	396,833	335,697
Pensions provision (Note 10)	2,510,989	2,439,533
Additional Superannuation Contributions	-	1,788
Single Public Service Pension Scheme	(1,468)	5,594
PAYE/PRSI	29,609	32,150
Professional Services Withholding Tax	7,321	17,770
Value Added Taxation	1,569	21,339
	2,944,853	2,853,871

9. Commitments under Operating Leases

The Health Insurance Authority rents offices at Beaux Lane House, Lower Mercer Street, Dublin 2 at a cost of €219,655 for the property and €8,920 for two car parking spaces. The Authority entered into a 10 year lease for the offices in October 2019.

At the year end, the Authority has the following annual commitments that fall due as follows:

	2023 €	2022 €
within 1 year	228,575	228,575
Later than one year but within 5 years	914,300	914,300
Later than 5 years	190,479	419,054
	1,333,354	1,561,929

10. Pensions Provision

The Authority operates two pension schemes; the Employee Superannuation Scheme (for pre-2013 employees) and the Single Public Service Pension Scheme. All new employees to the Authority, who are new entrants to the Public Sector, on or after 1 January 2013 are members of the Single Scheme.

a) Employee Superannuation Scheme

The Authority Employees Superannuation Scheme (SI 637 of 2016) (“the Scheme”) was signed 21 December 2016 in which the Rules set out in the schedule to the Rules for Pre-existing Public Service Pension Scheme Members Regulations 2014 (S.I No 582 of 2014) are adopted as a Scheme for the granting of superannuation benefits to or in respect of members of the staff, including the Registrar, of the Authority, as appropriate.

Employer contributions are at a rate of 25% of pensionable pay and are charged to the Statement of Income and Expenditure and Retained Revenue Reserves. The accumulated contributions are held for the account of the Minister for Health.

Benefit entitlements of employees will be a function of their service with the Authority and of their previous service in the civil or public service, where appropriate. The Authority is not funded in respect of such benefit entitlements. By direction of the Minister for Health, no provision has been made in respect of benefits payable in future years.

b) Single Public Service Pension Scheme

New Entrant staff employed by the Authority after 1 January 2013 are members of the Single Public Service Pension Scheme in accordance with Public Service Pensions (Single Scheme and Other Provisions) Act 2012. The Authority makes the necessary deductions from salaries for staff who are part of the scheme. Employee and employer contributions are transferred to the Department of Public Expenditure, NDP Delivery and Reform on a monthly basis in accordance with the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

The accumulated pension provision at year end is as follows:

	2023	2022
	€	€
At beginning of period	2,439,533	2,396,268
Employee Contributions (deducted from salaries)	14,215	23,839
Employer Contributions (Note 4)	85,709	100,645
Pensions Paid	(28,468)	(81,219)
Total	2,510,989	2,439,533

In 2023: €14,252 (2022: €20,061) was deducted from staff in respect of the Single Public Service Pension Scheme and transferred to the Department of Public Expenditure, NDP Delivery and Reform. €46,232 (2022: €60,183) in employer contributions were also remitted to DPER.

The pension liability for the employee superannuation scheme at 31 December 2023 is €2,980,000 (2022: €2,600,000). The pension liability for these schemes is not reflected in these financial statements.

Capital Commitments

There were no commitments for capital expenditure at 31 December 2023.

Related Party Disclosure

The Authority has adopted procedures in accordance with the guidelines issued by the Department of Finance in relation to the disclosure of interests by the Authority Members and the Authority has adhered to these procedures. There were no transactions in the year in relation to the Authority's activities in which Authority Members had an interest.

Risk Equalisation Fund

The Health Insurance (Amendment) Act 2012 provides for the establishment of the Risk Equalisation Fund (the Fund) from 1 January 2013. Stamp Duty payments for policies commencing or renewing on or after 1 January 2013 are paid by insurers to the Revenue Commissioners who in turn transfer the money to the Fund. Risk Equalisation Credits are paid, on behalf of consumers, out of the Fund to the health insurance undertakings by the Health Insurance Authority. Separate financial statements are prepared in respect of the Fund on an annual basis. The Authority is responsible for administering and maintaining the Fund.

There are no employees directly employed by the Fund. Total costs of €723,355 (2022: €487,966) in respect of the Fund were charged by the Authority for 2023 as follows:

Type of Cost	Total Recharged to Fund	
	2023 €	2022 €
Salary and staff costs	266,910	196,339
Rent, service charges and maintenance	72,795	55,555
Computer and stationery costs	25,347	11,161
Other administrative costs	64,593	48,772
Recharged Risk Equalisation Fund costs	429,645	311,827
Costs directly charged to the fund	293,710	176,139
	723,355	487,966

Costs directly charged to the fund are not accounted for within HIA expenditure, and therefore, there is no requirement for HIA to recognise corresponding income relating to these costs.

14. Approval of Financial Statements

The Financial Statements were approved by the Authority on 24th September 2024.

The Risk Equalisation Fund Report and Financial Statements for the year 1 January 2023 to 31 December 2023

To the Minister for Health

In accordance with the terms of the Health Insurance Act 1994 (as amended), The Health Insurance Authority presents the Financial Statements of the Risk Equalisation Fund for the 12 month period ended 31 December 2023.

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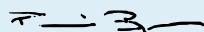
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Statement of Responsibilities


Section 11D(8) of the Health Insurance Act of 1994 (as amended) (the 'Act') requires the Health Insurance Authority (the "Authority") to prepare financial statements in respect of the Risk Equalisation Fund (the "Fund"). In preparing those financial statements, the Authority is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reason for any material departure from those standards; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The Authority is responsible for keeping adequate accounting records which correctly explain and record the transactions of the Fund, enable at any time the assets, liabilities and financial position of the Fund to be determined with reasonable accuracy and enable it to ensure that the financial statements comply with Section 11D(8) of the Act. The Authority is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Patricia Byron
Chairperson



Caroline Barlow
Member

Date: 24th September 2024



Ard Reachtaire Cuntas agus Ciste Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Risk Equalisation Fund

Opinion on the financial statements

I have audited the financial statements of the Risk Equalisation Fund prepared by the Health Insurance Authority for the year ended 31 December 2023 as required under the provisions of section 11D (9) of the Health Insurance Act 1994 (as amended). The financial statements comprise

- the statement of income and expenditure and retained revenue reserves
- the statement of financial position
- the statement of cash flows, and
- the related notes, including a summary of significant accounting policies.

In my opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Fund at 31 December 2023 and of its income and expenditure for 2023 in accordance with Financial Reporting Standard (FRS) 102 — The Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Basis of opinion

I conducted my audit of the financial statements in accordance with the International Standards on Auditing (ISAs) as promulgated by the International Organisation of Supreme Audit Institutions. My responsibilities under those standards are described in the appendix to this report. I am independent of the Health Insurance Authority and have fulfilled my other ethical responsibilities in accordance with the standards.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Report on information other than the financial statements, and on other matters

The Health Insurance Authority has presented the financial statements together with certain information in relation to the operation of the Fund. This comprises the Authority's annual report, the governance statement and Authority members' report, and the statement on internal control. My responsibilities to report in relation to such information, and on certain other matters upon which I report by exception, are described in the appendix to this report.

I have nothing to report in that regard.

Seamus McCarthy
Comptroller and Auditor General

27 September 2024

Appendix to the report

Responsibilities of Authority members

As detailed in the governance statement and Authority members' report, the Authority members are responsible for

- the preparation of annual financial statements in the form prescribed under section 32 of the Health Insurance Act 1994
- ensuring that the financial statements give a true and fair view in accordance with FRS102
- ensuring the regularity of transactions
- assessing whether the use of the going concern basis of accounting is appropriate, and
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibilities of the Comptroller and Auditor General

I am required under section 32 of the Health Insurance Act 1994 to audit the financial statements of the Health Insurance Authority and to report thereon to the Houses of the Oireachtas.

My objective in carrying out the audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. In doing so,

- I identify and assess the risks of material misstatement of the financial statements whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- I evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.

- I conclude on the appropriateness of the use of the going concern basis of accounting and, based on the audit evidence obtained, on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Health Insurance Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the Health Insurance Authority to cease to continue as a going concern.
- I evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I report by exception if, in my opinion,

- I have not received all the information and explanations I required for my audit, or
- the accounting records were not sufficient to permit the financial statements to be readily and properly audited, or
- the financial statements are not in agreement with the accounting records.

Information other than the financial statements

My opinion on the financial statements does not cover the other information presented with those statements, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, I am required under the ISAs to read the other information presented and, in doing so, consider whether the other information is materially inconsistent with the financial statements or with knowledge obtained during the audit, or if it otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

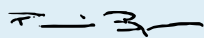
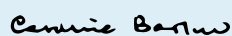
Reporting on other matters

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation. I report if I identify material matters relating to the manner in which public business has been conducted.

I seek to obtain evidence about the regularity of financial transactions in the course of audit. I report if I identify any material instance where public money has not been applied for the purposes intended or where transactions did not conform to the authorities governing them.

Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31 December 2023

	Notes	12 months ended 31 December, 2023 €'000	12 months ended 31 December, 2022 €'000
Income			
Stamp duty	2	792,270	809,761
Investment Income		3,157	120
Total Income		795,427	809,881
Expenditure			
Risk Equalisation Premium Credit	3	616,186	614,388
Hospital Utilisation Credit	4	184,487	174,085
High Cost Claims Pool	5	58,265	23,225
Staff and other costs	6	724	489
Total Expenditure		859,662	812,187
Excess of Income over Expenditure		(64,235)	(2,306)
(Deficit)/Surplus for the year		(64,235)	(2,306)
Retained Revenue Reserves at beginning of year		113,001	115,307
Retained Revenue Reserves at end of year		48,766	113,001

Patricia Byron
Chairperson

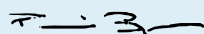
Caroline Barlow
Member

Date: 24th September 2024

Notes 1 to 15 form part of these Financial Statements

Statement of Financial Position at 31 December 2023

	Notes	2023 €'000	2022 €'000
Current Assets			
Short Term Deposits	7	370,500	378,809
Cash and Cash Equivalents		19,513	14,992
Prepayments and Other Debtors	8	236,737	221,984
		626,750	615,785
Creditors (amounts falling due within one year)			
Creditors and Accruals	9	(477,084)	(428,584)
High Cost Claims Pool Provision	11	(41,000)	(21,200)
Hospital Utilisation Credit provision	10	(59,900)	(53,000)
		(577,984)	(502,784)
Net Assets		48,766	113,001
Representing			
Retained Revenue Reserves		48,766	113,001



Patricia Byron
Chairperson



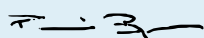
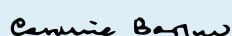
Caroline Barlow
Member

Date: 24th September 2024

Notes 1 to 15 form part of these Financial Statements.

Statement of Cash Flows for the year ended 31 December 2023

	Notes	2023 €'000	2022 €'000
Reconciliation of operating surplus to net cash inflow from operating activities			
Operating excess of income over expenditure for year		(64,235)	(2,306)
Bank Interest Received		(3,157)	(120)
Decrease / (Increase) in debtors	8	(14,753)	10,872
Increase in creditors	9&10&11	75,200	14,036
Net cash inflow from operating activities		(6,945)	22,482
Cash inflow from investing activities			
Bank interest received		3,157	120
Net cash inflow from investing activities		3,157	120
Increase in cash and cash equivalents		(3,788)	22,602
Cash and cash equivalents at 1 January		393,801	371,199
Cash and cash equivalents at 31 December		390,013	393,801
Increase in cash and cash equivalents		(3,788)	22,602

Patricia Byron
Chairperson

Caroline Barlow
Member

Date: 24th September 2024

Notes 1 to 15 form part of these Financial Statements.

Notes (forming part of the financial statements)

1. Accounting Policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of Preparation

The financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102"). The financial statements have been prepared on the accruals basis of accounting in accordance with generally accepted accounting principles and under the historical cost convention.

The financial statements of the Fund are presented in Euro ("€'000"), which is also the functional currency of the Fund.

General Information

The Health Insurance Act 1994, as amended by the Health Insurance (Amendment) Act 2012, introduced risk equalisation whereby registered undertakings receive credits in relation to certain classes of insured persons so that they do not collect a premium payable in respect of provision of health insurance to the individual. The 2012 Act also provided for the establishment of the Risk Equalisation Fund (Fund).

The Authority is responsible for the establishment, administration and maintenance of the Fund. The Members of the Authority are responsible for the production and approval of financial statements for the Fund. The Authority is responsible for the authorisation and approval of all Fund transactions. Details of the Authority's governance and control systems and procedures are set out in the Internal Controls and Governance Statements disclosed in the Authority's financial statements.

The Act provided that all stamp duty paid by virtue of Section 125A of the Stamp Duties Consolidation Act 1999 in respect of health insurance contracts commencing on or after 1 January 2013 be paid into the Fund.

Payments out of the Fund include:

- Risk Equalisation Premium Credit – Under S.6 A (1) of the Health Insurance Acts, the level of risk that a particular consumer poses to a registered undertaking does not affect the premium paid. All insured individuals are charged the same premium for a particular plan, irrespective of age, gender and the current or likely future state of their health subject to exceptions in respect of children under 18 years of age, discounts for members in group schemes, young adults and lifetime community rating loadings. The Fund provides for registered undertakings to receive higher premiums in respect of insuring older, and generally less healthy people, with the higher amount paid by way of a risk equalisation premium credit from the Fund. The level of risk equalisation credits payable from the Fund in respect of premiums vary on the basis of age, gender and level of cover.
- Hospital Utilisation Credit – Under S.6A(1) of the Health Insurance Acts, a specified amount is payable from the Fund for each stay an insured person spends in private hospital accommodation or in a publicly funded hospital where a charge is payable under Section 55 of the Health Insurance Act 1970 for such a stay.
- High Cost Claims Pool Credit – Under S.6A(1) of the Health Insurance Acts, means the amount that is equal to the high cost claim quota share multiplied by the amount by which the high cost claim exceeds the high cost claim threshold.

In December 2020, The European Commission consented to the prolongation of the Risk Equalisation Scheme to 31 March 2022. Certain legislative changes were introduced during 2022. On 31 March 2022 the European Commission also approved the extension and modification of the Risk Equalisation Scheme (RES) for the period 1 April 2022 to 31 March 2027 (a term of 4 years, 11 months, 30 days excluding the end date). The RES was also updated to include a new credit type called the High Cost Claims Pool Credit (HCCP).

Under section 7F(1) of the Act, every provider of private health insurance in Ireland is required to provide the Authority with a statement of its profits and losses and its balance sheet in respect of its health insurance business. The 2016 RES did not provide specific rules as to which accounting standards should be used, other than be consistent with “approved accounting standards”.

The Government introduced the Health Insurance Act 1994 (preparation of Financial Statements) Regulations 2022. These Regulations set down the rules that apply to financial statements furnished to the Authority pursuant to section 7F(1) of the Act. They introduced accounting regulations to improve the consistency of how undertakings reported profits and losses for the purpose of assessing financial statements for overcompensation.

These Accounts reflect the application of provisions of the Health Insurance (Amendment) Act, 2021, as supported by the Health Insurance Act 2022 and the Health Insurance Act 1994 (Preparation of Financial Statements) Regulations 2022 (S.I. No. 146 of 2022), where applicable.

Accounting Period

The financial statements are for the year from 1 January 2023 to 31 December 2023.

Income

Stamp Duty income is recognised in the financial statements over the term of the relevant insurance contract, assumed to be twelve months in all cases. Stamp duty on policies commencing on or after 1 January 2013 is paid by registered undertakings to the Revenue Commissioners on a quarterly basis. The stamp duty is then paid into the Fund. The receipts of the Fund in the financial year are adjusted to take account of:

- Accrued stamp duty which represents outstanding stamp duty due to the Fund at the year-end and represents amounts payable by registered undertakings in relation to the last quarter of the financial year. This amount due is recorded as a debtor to the Fund.
- Deferred stamp duty represents the estimated proportion of stamp duty paid into the Fund during the financial year and accrued at year end which relates to the unexpired term of the relevant insurance contracts at the reporting date. This amount is recorded as un-earned stamp duty at the reporting date (see Note 9 – Creditors and Accruals).

Expenditure Recognition

Expenditure is recognised in the financial statements on an accruals basis as it is incurred.

Risk Equalisation Premium Credit

Risk equalisation premium credit is accounted for on an accruals basis. Registered undertakings claim risk equalisation premium credit from the Fund on a monthly basis.

In determining the amount to be recognised as an expense in the financial year, the payments made from the Fund are adjusted to take account of:

- Amounts claimed and payable to registered undertakings which have not been paid at the reporting date.
- Un-expensed risk equalisation premium credit – a majority of individuals pay insurance policies either by monthly instalments or annually in advance. Credits claimed in relation to monthly instalments are expensed in the month to which the claim relates. Credits claimed for policies paid annually in advance are expensed uniformly over the twelve months of the contract. At the reporting date any amounts paid to registered undertakings which have not been expensed are recognised as a debtor (See Note 8 – Prepayments and Other Debtors).

Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements.

The level of reserves in respect of future claims included in the financial statements should at least be as strong as a best estimate and should at all times be sufficient to cover any liabilities arising in respect of hospital episodes yet to be claimed as far as can reasonably be foreseen. The hospital utilisation credit provision (HUC) and High-Cost Claims Pool (HCCP) provision is calculated based on independent actuarial advice using a number of generally accepted actuarial techniques to arrive at the central estimate and a range of reasonable estimates. The provision recorded in the financial statements is at least as strong as a best estimate derived using generally accepted actuarial methods plus a margin for uncertainty of 10%. The margin for uncertainty of 10% has been informed by the level of uncertainty in the provision and the uncertainties in the claim environment.

The process of estimating future HUC and HCCP payments is an inherently uncertain exercise due to the random nature of claim occurrences. When projecting future liabilities based on past experience, an element of subjectivity is inevitably introduced. The HCCP was only introduced into the RES in April 2022 and claims to date are limited. The nature of the HUC and HCCP is such that future development could be adversely affected by the emergence of different claims development relative to historic experience. Projections of future surpluses/deficits are also dependent on future contingent events and are affected by many additional factors, including Hospital behaviour, Insurer behaviour, Sickness and Random fluctuations given the relatively limited history. Particular sources of uncertainty in the provision at 31 December 2023 are factors relating to changes in the balance of public: private hospital usage, increasing proportion of day cases, the impact of the global pandemic COVID-19 and the HSE cyber attack on hospitalisation usage, and waiver forms.

Hospital Utilisation Credit

The hospital utilisation credit is accounted for on an accruals basis. In determining the amount to be recognised as an expense in the financial year, the payments made from the Fund are adjusted to take account of:

- Amounts claimed by and payable to registered undertakings which have not been paid at the reporting date.
- A provision for hospital utilisation credit arising in respect of hospital episodes which had occurred in the financial year but had not been claimed by registered undertakings at year end.
- The provision assumes that the number of nights and days in private hospital accommodation is uniform across contracts commencing on different dates and that hospitalisation occurs uniformly throughout the policy period. The settlement period for hospital claims can vary considerably. This may result in registered undertakings making a claim for a hospital utilisation credit a year or more after a hospital episode.
- An adjustment in respect of any under or over provision for unclaimed credits in respect of prior financial years that remains outstanding at the reporting date.

High-Cost Claims Pool

The High Costs Claims Pool, introduced in 2022, is accounted for on an accruals basis. In determining the amount to be recognised as an expense in the financial year, the payments made from the Fund are adjusted to take account of:

- Amounts claimed by and payable to registered undertakings which have not been paid at the reporting date.
- A provision for high cost claims arising in respect of high cost claims which had occurred in the financial year but had not been claimed by registered undertakings at year end. The provision assumes that claims are uniform across contracts commencing on different dates and that hospitalisation occurs uniformly throughout the policy period. The settlement period for high cost claims can vary considerably. This may result in registered undertakings making a claim for a high cost claim a year or more after a hospital episode.
- An adjustment in respect of any under or over provision for unclaimed credits in respect of prior financial years that remains outstanding at the reporting date.

2. Income

Stamp duty payments for policies commencing or renewing on or 1 January 2013 are paid by registered undertakings by submission of the monies collected to the Revenue Commissioners. The Revenue Commissioners in turn transfer these monies to the Fund.

	2023 €'000	2022 €'000
Stamp duty paid into the Fund	798,439	800,952
Stamp duty receivable movement in year	16,703	(9,431)
Deferred stamp duty movement in year	(22,872)	18,240
	792,270	809,761

3. Risk Equalisation Premium Credit

	2023 €'000	2022 €'000
Payments made to registered undertakings	613,206	616,445
Risk equalisation premium credit payable to registered undertakings movement in year	1,031	(3,499)
Un-expensed risk equalisation premium credit movement in year	1,949	1,442
	616,186	614,388

4. Hospital Utilisation Credit

	2023 €'000	2022 €'000
Payments made to registered undertakings	177,224	161,397
Hospital utilisation credit payable to registered undertakings movement in year	363	3,404
Hospital utilisation credit provision movement in year	6,900	9,284
	184,487	174,085

5. High Costs Claims Pool

	2023 €'000	2022 €'000
Payments made to registered undertakings	14,465	260
High Cost Claims payable to registered undertakings movement in year	24,000	1,765
High Cost Claims provision movement in year	19,800	21,200
	58,265	23,225

6. Staff and Other Costs

	2023 €'000	2022 €'000
Health Insurance Authority recharged costs:		
Salaries and staff costs	252	186
Training costs	6	3
Directors Fees	9	7
Rent, service charge and maintenance	73	56
Insurance	7	6
Computer and stationery	25	11
Other administration costs	27	19
Depreciation	31	24
	430	312
Costs directly charged to the Fund:		
Audit	9	9
Accountancy	77	16
Actuarial	161	126
Legal	2	4
Economic Consultancy	26	18
Inspections	14	-
Insurance	4	3
	293	176
Costs directly incurred by the Fund:		
Bank charges	1	1
	724	489

7. Short Term Deposits

Short term deposits comprise investments in exchequer notes issued by the National Treasury Management Agency. Exchequer notes are short term interest bearing notes. Excess income, capital or other benefit received that is not immediately required for the purposes of the Fund may be invested in exchequer notes. There was €3,157,138 in interest received during the period (2022: €119,970).

8. Prepayments and Other Debtors

	2023 €'000	2022 €'000
Un-expensed risk equalisation premium credit	52,034	53,983
Accrued stamp duty receivable	184,703	168,001
	236,737	221,984

9. Creditors and Accruals

	2023 €'000	2022 €'000
Deferred Stamp Duty	323,495	300,623
Risk equalisation premium credit payable	98,276	97,246
Hospital utilisation credit payable	28,824	28,462
High Cost Claims Pool Payable	25,766	1,765
Health Insurance Authority	723	488
	477,084	428,584

10. Hospital Utilisation Credit Provision

	2023 €'000	2022 €'000
At start of year	53,000	43,716
Arising during the year	184,486	174,085
Utilised during the year	(177,586)	(164,801)
At end of year	59,900	53,000

11. High Cost Claims Pool Provisions

	2023 €'000	2022 €'000
At start of year	21,200	-
Arising during the year	58,266	23,225
Utilised during the year	(38,466)	(2,025)
At end of year	41,000	21,200

12. Financial Position of the Risk Equalisation Fund

As per the Statement of Income and Expenditure and Retained Revenue Reserves, the retained reserves were €48.77m (2022: €113m). Any surplus or deficit arising in respect of past and current contract periods is taken into account when making recommendations to the Minister on risk equalisation credits and stamp duty.

At 31 December 2023, the Fund held cash and cash equivalents of €390m (2022: €394m).

13. Disclosure of Interests

The Authority has adopted procedures in accordance with the guidelines issued by the Department of Public Expenditure, NDP Delivery and Reform in relation to the disclosure of interests by Authority Members and the Authority has adhered to these procedures. There were no transactions in the year in relation to the Fund's activities in which Authority Members had an interest.

14. Events After the Reporting Period

The Health Insurance (Amendment) Act 2023 was enacted on 14 December 2023 and updated the Risk Equalisation Scheme parameters.

15. Approval of Financial Statements

The Financial Statements were approved by the Authority on 24th September 2024.



An tÚdarás Árachas Sláinte
The Health Insurance Authority

The Health Insurance Authority,

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Mercer Street Lower,
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