Implementation Plan: Health Support Scheme

Approved by the Programme Monitoring Committee on Friday 30th October 2020 by written procedure

Operational Programme	S&E Regional Operational Programme 2014-2020
Priority	7: Coronavirus Response
Thematic Objective	01 - Strengthening research, technological development and innovation
Investment Priority	1b. promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies as well as **fostering investment necessary for strengthening the crisis response capacities in health services**
Scheme	Health Support Scheme
Categorisation Code	053 Health infrastructure
ERDF Certifying Body	Department of Public Expenditure and Reform
Managing Authority	Southern Regional Assembly
Intermediate Body	n/a
Beneficiary	Health Service Executive (HSE)

Grant Rate	100% on all eligible expenditure certified to the Commission prior to 30th June 2021. 50% on all eligible expenditure certified to the Commission after 30th June 2021.
EU Co-Financing Rate	100% on all eligible expenditure certified to the Commission prior to 30th June 2021. 50% on all eligible expenditure certified to the Commission after 30th June 2021.
Common and programme-specific output indicators	CV1 Value of personal protective equipment purchased (total public cost) EUR CV6 Personal protective equipment (PPE) (Including disposable masks, eye protection, coveralls, etc.) Number of items

Objectives of Intervention.

COVID-19 is first and foremost a public health emergency requiring that the medical response to the pandemic is prioritised. The intervention supported under this Priority is a targeted State led investment to secure and sustain continuity of access and supply of essential Personal Protective Equipment (PPE for the health services to be used in the fight against COVID-19 in the Southern and Eastern region.

The intention of this new scheme is to build the Health Service Executive's crisis response capacities in the context of the COVID-19 outbreak by ensuring that the health sector has sufficient supplies to fulfil their tasks safely.

This will facilitate the critical work of minimising the impact of the global pandemic in the regions in Ireland and safeguard the health and welfare of the population.

The scheme avails of the additional flexibilities provided for under Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative or CRII) and Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU)

No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak. (Coronavirus Response Investment Initiative Plus or CRII Plus).

Description of Intervention.

Confirmation by the WHO (World Health Organisation) of Covid-19 as a global pandemic in March 2020 caused worldwide demand for PPE to reach unprecedented levels, triggering severe disruption to global supply chains. This presented the HSE with an extraordinary challenge as their sources of supply for these products were depleted at a time of unprecedented demand. The crisis highlighted the risks in this regard, huge logistical distance, long order cycles and reports of short/no shipping of promised orders etc.

Action 8 of the Irish Government's Action Plan in response to Covid 19 deals with maintaining access to essential health products, equipment and services. It has an action area – securing and sustaining continuity of access and supply to essential health products and to assess the short, medium and long-term requirement for and availability of PPE among other essential health products.

The WHO advised the following strategies for PPE supply chain management & coordination in response to Covid Pandemic;

- Using PPE forecasts that are based on rational quantification models to ensure the rationalization of requested supplies;
- Promoting the use of a centralized request management approach to avoid duplication of stock and ensuring strict adherence to essential stock management rules to limit wastage, overstock and stock ruptures;

Following the outbreak of Covid 19 in February 2020, the HSE recognized the need to considerably expand its sourcing, logistics and distribution capacity for the supply of PPE. To reflect the strategic importance of PPE, the HSE rapidly developed an integrated, end to end Sourcing and Distribution approach with a view to managing the volume of PPE required and ensuring that frontline services which need PPE, have it where and when they need it.

The environment in which the HSE sourcing activity was conducted in response to the pandemic was unprecedented. All global healthcare systems faced the same challenges in securing the PPE necessary to manage and contain the pandemic. The characteristics, challenges and landscape of the market during the pandemic were and still are volatile, complex and uncertain. The primary challenges that were faced included:

- WHO reported demand for PPE to be 100 times normal demand and prices up to 10 times higher than normal.
- Little or no robust epidemiological data was available to conduct robust and detailed demand planning exercises
- China, which accounts for 65% of worldwide PPE manufacturing, introduced significant restrictions which included closure of manufacturing plants, and limitations to shipping channels due to port and airport closures.
- In mid-March 2020 a total of 226 countries were identified that had export bans, export restrictions or state requisitioning arrangements in place.
- All global healthcare systems became price takers in the context of PPE and it was not possible to negotiate downward pricing. Furthermore any price speculation or market softening strategy on the part of the HSE was considered too high risk. The immediate security of PPE supply lines was absolutely critical to the pandemic response.
- Gouging which included creation of secondary markets where ownership deeds change hands numerous times before they reach the end buyer at a hugely inflated price.
- Traditional sourcing channels were not in a position to source and secure the volumes of products required.
- Pace complexity and scale at which PPE procurement was required to be completed
- A growing base within the Irish healthcare system that reverted to HSE for the provision of PPE including GPs, Private Nursing Homes, provision on face masks to all healthcare workers etc.

In order to act with the pace to meet these challenges it was necessary for the HSE to avail of the Covid Procurement Framework (2020/C 108 I/01) which allows for the procurement by 'Negotiated Procedure without Prior Publication' in cases of extreme urgency. There is also provision under Article 32 2(c) of Procurement Directive 2014/24/EU which justifies the use of a negotiated procedure without prior publication where "*in so far as is strictly necessary, where for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with. The circumstances invoked to justify extreme urgency shall not in any event be attributable to the contracting authority*

New markets and suppliers were identified and researched, and significant new supply arrangements were established at short notice such as a primary PPE supplier in China. Local and indigenous manufacturing provided additional capacity, and will continue to be a valuable source in the future. HSE Procurement led the response to supply of PPE in Ireland through a multi-agency approach involving the Department of Business, Enterprise and Innovation (DBEI), IDA Ireland, Enterprise Ireland, Dept of Foreign Affairs and Trade, Dept of Health and the Defence Forces. Regulatory support has been provided by the Health Products Regulatory Authority (HPRA).

Distribution

HBS Procurement also implemented a centralized request management approach servicing all of the state's healthcare settings to ensure PPE continues to be available across all health service delivery streams. All Hospitals, Community Based Healthcare settings including public and private Nursing Homes, National Ambulance Service, General Practices and multiple other critical healthcare providers depend on the availability of PPE stock from the centralised request management system each day. A clinically led policy / decision support model has been developed and implemented in relation to daily rationing of available PPE stock.

Responsibilities of Managing Authority.

The Southern Regional Assembly will be responsible for carrying out the functions of the Managing Authority as set out in the Common Provisions Regulation (EC) 1303/2013.
These include, inter alia:

Selection of Operations:

- draw up and, oversee the application of appropriate selection procedures and criteria that ensure the contribution of operations to the achievement of the specific objectives and results of the relevant priority; are non-discriminatory and transparent; and take into account the general principles set out in Articles 7 and 8 of CPR (EC) 1303/2013;
- ensure that a selected operation falls within the scope of the Fund or Funds concerned and can be attributed to a category of intervention a measure identified in the priority or priorities of the operational programme;
- ensure that the beneficiary is provided with a document setting out the conditions for support for each operation including the specific requirements concerning the products or services to be delivered under the operation, the financing plan, and the time-limit for execution;
- satisfy itself that the beneficiary has the administrative, financial and operational capacity to fulfil the conditions referred to above before approval of the operation;
- satisfy itself that, where the operation has started before the submission of an application for funding to the Managing Authority, applicable law relevant for the operation has been complied with;
- determine the categories of intervention the measures to which the expenditure of an operation shall be attributed.

Financial management and control:

- verify that the co-financed products and services have been delivered and that expenditure declared by the beneficiaries has been paid and that it complies with applicable law, the operational programme and the conditions for support of the operation;
- ensure that beneficiaries involved in the implementation of operations reimbursed on the basis of eligible costs actually incurred maintain either a separate accounting system or an adequate accounting code for all transactions relating to an operation;
- put in place effective and proportionate anti-fraud measures taking into account the risks identified;
- set up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of point (g) of Article 72;
- Verifications shall include the following procedures:
    a. Administrative verifications in respect of each application for reimbursement by beneficiaries;
    b. on-the-spot verifications of operations.

Responsibilities of the Beneficiary.

The HSE, as the Beneficiary, is responsible for implementing the ERDF co-financed operations and for declaring eligible expenditure to the MAs. The main responsibilities are to ensure that:

- Only eligible expenditure actually incurred under the terms of the operation approved is claimed;
- A clear audit trail exists in relation to ERDF co-funded expenditure: all claims are supported by receipted invoices or where this cannot be done, by accounting documents of equivalent probative value;
- Original supporting documentation is retained in accordance with the document retention period communicated by the Managing Authority;
- Financial data, agreed KPI data and supporting documents are recorded on the ERDF IT system "eCohesion"
- Information & Communication requirements have been complied with in accordance with the 'Information & Communication Guidelines for European Structural and Investment Funds 2014-2020'.
- Public Procurement requirements have been complied with.

- Where appropriate, physical checks should be carried out, and documented, on the project to ensure that project delivery is in line with financial progress
- Personnel declaring expenditure receive the appropriate training (provided by the MA)
- Policies and procedures are in place to support financial monitoring and control, including risk management and anti-fraud measures

Integration of Horizontal Principles.

The beneficiary shall take appropriate steps to promote the integration of the horizontal principles under this scheme. The beneficiary will feed into the requirement of the Managing Authority to report annually, to the Monitoring Committee in the format specified, on the implementation of the horizontal principles in operation under this scheme.

Selection Process and Criteria.

The use of competitive selection processes was not feasible in the current circumstances as a government decision was taken, in line with WHO guidance, to centralise PPE supply chain management and coordination in response to Covid Pandemic. The HSE was given responsibility to rapidly develop an integrated, end to end Sourcing and Distribution approach with a view to managing the volume of PPE required and ensuring that frontline services which need PPE, have it where and when they need it. Therefore, all ERDF funding will be awarded to a single beneficiary, the HSE, towards operation(s) that support the scheme objective to secure and sustain continuity of access and supply of essential PPE for the health services in the region. The operations selected will maximise the contribution of the Union funding.

The regulations require that expenditure reported under a Regional Operational Programme has been incurred in the relevant Programme Area. The Managing Authority designed an apportionment methodology that is based on objective criteria (PPE regional distribution by volume over an agreed reference period from 06 April to 03 July 2020) rather than relying on goods outwards notes from central stores or good inward notes in the regional healthcare facilities (recognising that this is not practical due to mixed shipments of PPE items from a central distribution warehouse). The Audit Authority has confirmed that it is satisfied that the apportionment methodology proposed is fair and reasonable.
The apportionment of expenditure and PPE items between the two regions has been calculated and agreed as follows:

- Southern & Eastern Region 69%
- Border Midland Western Region 31%

Performance Indicators.

Priority-level Output Indicators
Investment Priority 1(a)

ID	Indicator	Measurement Unit	Fund	Category of Region	Target Value	Source of Data	Frequency of Reporting
CV I	Value of personal protective equipment purchased (total public cost)	EUR	ERDF	More Developed	121,947,883	HSE	Annual
CV6	Personal protective equipment (PPE) (Including disposable masks, eye protection, coveralls, etc.)	No of Items	ERDF	More Developed	11,435,803	HSE	Annual

Financial Management.

The Managing Authority will ensure that compliance checks are carried out by the Beneficiary in relation to procurement, information and publicity, and eligibility rules (EU and national) to ensure all requirements are met.

The project under this priority will be financed by the Beneficiary's own resources through voted expenditure and, following submission and certification of claims to the Commission, recoupment will be effected by the Commission to the Irish Exchequer.

The Beneficiary will be required to maintain either a separate accounting system or an adequate accounting code for all transactions in respect of project expenditure. In accordance with the applicable regulations, the Beneficiary will be required to maintain proper reports of account and details of all costs including certified invoices, EFT payments, bank statements, etc. in respect of all declarations of expenditure..

Document Retention

In accordance with Article140 of the Common Provisions Regulation (EC) 1303/2013 all supporting documents regarding expenditure, verification checks, certification and audits on operations for which total eligible expenditure is less than €1,000,000.00 will be kept available for the EU Commission and Court of Auditors for a period of three years from 31 December following the submission of the accounts in which the expenditure of the operation is included. In the case of operations over €1,000,000.00 all supporting documentation shall be kept for a 2 year period from 31 December following the submission of accounts in which the final expenditure of the completed operation is included.

Monitoring and Reporting Arrangements.

Monitoring and progress reports will be submitted annually to the Monitoring Committee in a format specified by the Managing Authority.

Information and Communications

The Regional Assembly will ensure that the Beneficiary will comply with section 2.2 of Annex XII of Commission Regulation 1303/2013 and with Articles 4 and 5 of Commission Implementing Regulation 821/2014.

All Information and Communication will be undertaken in accordance with the OP Communications Plan.

The Beneficiary will acknowledge the contribution of the Irish exchequer and the ERDF in all brochures, promotional material, press releases, publicity activity, advertisements, signage, applications forms, annual reports, letters of offer, etc., by use of appropriate logo and text references, in accordance with the Communications Plan.