



**Submission from Nursing Homes Ireland to
Oireachtas Committee on the Future of Healthcare**

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**Nursing Homes Ireland
2051 Castle Drive, Citywest, Dublin 24
Tel: 01 469 9800
Email: info@nhi.ie**

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Executive Summary

The ageing of the population is to be celebrated and is a measure of the advances in living standards, technology and treatment of medical conditions. Over half the persons availing of nursing home care (56%) are aged 85+. This cohort of the population is projected by the CSO to increase by 46% between 2011 and 2021, with prevalence of dementia also to increase by 41% over the coming ten years. As a nation we need to develop a range of policies and services to address the challenges this presents.

Nursing home care has an intrinsic role to play in a continuum of care that must be in place to ensure our increased older population can avail of the specialist care they need, when they need it.

This submission advances the need to place nursing home care on a viable, sustainable footing that encourages investment in capacity to meet the demand for high, complex, specialist care needs within community settings, to reduce pressure on the acute hospitals.

Key recommendations include:

- Introduction of an evidence-based funding model for the NHSS that recognises the assessed care needs of persons requiring nursing home care and their associated costs.
- Utilisation of the expertise, purpose built facilities, specialist equipment and staff within nursing homes, to extend provision of care services such as Day Care, Independent and Supported living etc.
- Development and resourcing of a continuum of care that ensures our older population can avail of the specialist care they require at each stage, with ‘ring-fenced’ budgets.
- Workforce planning to provide the appropriately skilled staffing complement that will be required to meet our population’s healthcare needs.
- A clear and cohesive policy and national strategy for the long-term care of our older population, with certainty, transparency and equality of funding arrangements

The 430+ private and voluntary nursing home providers, who have ‘stepped up to the plate’ to meet our ageing population’s person centred residential care requirements, have the experience, knowledge and proven track record to deliver specialist care services in our communities.

Meaningful engagement with NHI in the development of public policy on future healthcare will enable the realisation of the potential of the nursing home sector in achieving quality value for money healthcare provision for all our aging population.

We welcome the opportunity of making this submission, look forward to contributing to this important debate and eagerly anticipate being invited present to the Oireachtas Committee.

Introduction

The ageing of our population is to be celebrated and is a measure of the advances in living standards, technology and treatment of medical conditions. As a nation we need to develop a range of policies and services to address the challenges this presents.

The ‘shift’ in focus to meeting our healthcare needs through primary and community care is welcome. A continuum of care that ensures our older population can avail of the specialist care they require, at each stage, is critical. Increased community care is vital to support acute hospitals in focussing upon delivery of acute care. Within this continuum and wider healthcare delivery, nursing home care has an essential role to fill.

The lack of a clear and cohesive policy and national strategy for the long-term care of our older population, combined with uncertainty around current and future funding arrangements, poses one of the biggest challenges to the long-term sustainability of the nursing home sector.

A major contributor to the current chronic and ongoing crisis in our acute hospitals is the number of beds occupied by patients who have completed their acute care, but have not been discharged, because arrangements for their post hospital care needs have not been put in place. This care may involve ongoing care in step-down facilities, long term residential nursing home care or the provision of home care packages.

In April 2015 recognising pressures arising within our acute hospitals and A & E departments, the Department of Health announced an additional €74 million in funding to support timely discharge of acute hospital patients back to community care, principally nursing home care.

Subsequently, the HSE Performance Report December 2015 reported: “The number of beds lost through Delayed Discharge during the year 2015 was reduced by 24.7% over the course of the year – a gain of 5,432 bed days.” Then Minister for Health Leo Varadkar informed Dáil Éireann in November the measure had freed up approximately 265 beds every day to be used by hospitals, “which is a capacity increase equivalent to a medium-sized hospital”.

24/7 care in an acute hospital is circa €7,000 per week by comparison with €900 in a private and voluntary nursing home. For every 100 persons who are within an acute hospital setting unnecessarily, the cost per week is €700,000 and over an annual period €36.4m. The equivalent cost for care in a nursing home (long-term or transitional) would be €90,000 per week or €4.68m per annum.

Private and voluntary nursing homes provide 80% of nursing home care. In *An Irish National Survey of Dementia in Long-Term Residential Care*, published January 2015 by the Dementia Services Information and Development Centre reports: “A key finding from this survey is the fact that the private sector is the main provider of specialist long-term care to persons with dementia.”

A properly functioning health service is dependent upon a sustainable private and voluntary nursing home sector. These 430+ specialist care providers, must be supported by a fit-for-purpose funding model, that recognises the complex care needs of people requiring nursing home care. The present funding model, as advanced by independent research, is unsustainable and a barrier to necessary investment to meet demographic demands.

Appendix 1 informs of independent research that highlights the unsustainability of the Nursing Home Support Scheme (Fair Deal) funding model.

Placing nursing home care on a sustainable footing cannot be achieved if private and voluntary nursing homes are tasked with providing care for fees that are 58% below those paid to their HSE counterparts (Department of Health's Review of the Fair Deal scheme, July 2015). The HSE Annual Report 2015 further highlights this discrepancy. Fair Deal spend to support persons in private and voluntary nursing homes in 2015 was €602.6 million. With 17,266 persons supported in these nursing homes, this equates to equivalent spend of €34,900 per person over the course of the year. By contrast, €328m was spent to support persons in HSE nursing homes. With 4,915 persons supported by the scheme in such homes, this equates to double the spend per person - €66,734. It is simply unsustainable for private and voluntary nursing homes to provide maximum dependency, complex, residential care when there is such a chasm in fee provision.

Dependency levels and complexity of care needs of persons availing of nursing home care are continually increasing. When Fair Deal commenced in 2009 the average length of stay in a nursing home was 4 years. The Department's Review of the Scheme stated average length had reduced to 1.9 years. The HSE Performance Report December 2015 pointed to a 12.3% increase in the number of persons leaving Fair Deal and "a trend emerging that people are applying for the scheme later in life than in previous years and consequently average length of stays are decreasing". These are clear indications that people are only accessing nursing home care when their care needs are most complex.

Over half the persons availing of nursing home care (56%) are aged 85+ⁱ. This cohort of the population is projected by the CSOⁱⁱ to increase by 46% between 2011 and 2021. The prevalence of dementia is to increase by 41% over the coming ten yearsⁱⁱⁱ.

The nursing home sector requires an evidence-based funding model for the NHSS that recognises the assessed care needs of persons requiring nursing home care and the associated costs of these care needs. This essential element is currently absent from the framework for 'negotiations' between the NTPF and individual nursing homes. The procedures applied to negotiations with nursing home providers must be fair, transparent and consistent.

This submission advances the policy measures necessary to place nursing home care on a sustainable footing to meet demand and healthcare needs and to support wider healthcare delivery. It also advances measures to support healthcare delivery within the community, removing it from acute settings where possible.

The submission addresses the questions brought forward by the Committee. Its introduction provides background information, including statistical data and independent research that is informing the recommendations brought forward by NHI.

Strategy

What are the key priorities for inclusion in a ten-year plan for the health service?

Recognition of costs of providing specialist complex & high dependency residential care

As outlined within introduction, the present funding model for persons requiring nursing home care is unsustainable.

Private and voluntary nursing home providers, the majority providers of specialist dementia care, are receiving fees that are half those paid to HSE counterparts. This threatens the sustainability of the nursing home sector. DKM analysis states funding model is the “main barrier” to new investment in nursing homes, with the lack of reference to dependency levels of residents an underlying issue^{iv}.

The Dementia Services Information and Development Centre states requirement for the complex and high dependency needs of persons with dementia need to be “more realistically reflected in fairer resource allocation”^v, to recognise skill mix of staff, training needs, and to meet the level of care expected to be delivered to residents with dementia.

Cost of care in an acute hospital is approx. €7,000 per week, seven-fold the cost of providing care in a nursing home. This huge discrepancy and that of fees payable to HSE nursing homes by comparison with private and voluntary counterparts further highlight the critical importance of a funding model that recognises the true costs of the care provided.

A care needs-based funding model that recognises the true costs incurred to meet the complex health and social care needs of persons requiring nursing home care.

Ensuring fees payable to support persons requiring nursing home care recognise the true associated costs will ensure that high dependency specialist care needs of persons can be met within community settings for a fraction of the cost associated with care in acute hospitals.

An indexation mechanism should be considered to ensure budgets keep recognition of increasing costs of care provision and are sufficiently resourced to meet these costs and changing demographics.

What are the key priorities for inclusion in a ten-year plan for the health service?

The Care Continuum

The development and resourcing of a continuum of care that ensures our older population can avail of the specialist care they require at each appropriate stage is a necessity.

Advancement of this is critical for healthcare system that supports acute hospitals in focussing upon delivery of acute care.

‘Ring-fenced’ budgets specific for differing, specialist care services give transparency within health spend and help ensure the budgets are resourced to meet requirement.

Requirement for policy and related stakeholders to be brought around the table through a forum that will consider, advise and push for the planning, funding and delivery of health services for older people.

Workforce planning

Growth in our population and numbers growing older will place increased demand upon our health services. Health strategy cannot overlook the critical importance of workforce planning to provide the skilled staffing complement that will be required to meet our population’s healthcare needs.

What are the key challenges, in your view, to achieving a universal single tier service, where patients are treated based on health need, rather than ability to pay?

A shift in emphasis within health provision to enable easier access to care in the community can support the objective of providing care based on need rather than ability to pay. In tandem with such a shift, the sustainability of the providers of care in the community and what is included within care schemes must be addressed by the State.

Fair Deal provides an excellent example within our health services of persons being enabled to access specialist care based on healthcare need, rather than ability to pay. The principle of resident choice within the Scheme empowers the person to avail of the care in their preferred setting - public, private or voluntary. Funding support is provided on a chronological basis. The scheme is in keeping with the objective of achieving a universal single tier health service.

A shift in emphasis within health provision to enable easier access to care in the community can support objective of providing care based on need rather than ability to pay. In tandem with such a shift, the sustainability of the providers of care in the community and what is entailed within care packages must be addressed by the State.

Fair Deal is in keeping with the objective of achieving a universal single tier health service. A new scheme applying similar principles of Fair Deal should be introduced on a statutory basis for home care provision, providing uniform assessment, equitable access, dedicated ring-fenced funding.

Equal access to therapies & care services

In its report *Who Cares? An Investigation into the Right to Nursing Home Care in Ireland*, the Office of the Ombudsman highlights the exclusion of therapies and social programmes under the Fair Deal scheme. It states this appears at odds with “what (in the words of the Department) is commonly understood as long-term nursing home care”. It says the failure to encompass costs for such services is not consistent with obligations under the Health Act.

The HIQA report *Designated Centres for Older People: An analysis of inspection findings during the first 15 months of inspections* states inadequate access to care services such as physio, chiropody, occupational therapy and others highlights a “wider funding and access issue” in particular for private nursing homes.

The continuum of care previously referred to must not only be cognisant of ‘demand’ but must also ensure that residents retain access to therapies and services that are fundamental to support person’s healthcare needs. Deterring access to these services is an abuse of their rights and can lead to further health complications that lead to dependence upon acute services.

What actions are needed to plan for, and take account of, future demographic pressures (population growth, ageing population) and its impact on the health system?

As outlined within the Strategy section, the funding model to support nursing home care is unsustainable and has been independently identified as the main barrier to new investment in nursing home care. With the numbers most dependent upon nursing home care escalating, it is vital that the nursing home sector is placed on a sustainable footing. Failure to address the payment models considerable shortcomings will have very serious consequences for acute care and wider healthcare delivery.

Fees payable for nursing home care must reflect the true costs of providing complex care.

A sustainable nursing home sector is dependent on providers receiving adequate return on capital employed.

Greater healthcare complexities present greater requirement for high skilled staff, specialist equipment and facilities, and other associated costs.

Fees payable should include a reasonable ROI and not an arbitrary decision by NTPF.

Demand-led

Fair Deal funding must be demand-led to ensure persons requiring this specialist care can access it in a timely manner. Failure in this regard has consequences for the person's health and wellbeing and leads to unnecessary increased pressure on acute hospital services.

NHI recommend introduction of multiannual budgeting for Fair Deal. This could enable the Department of Health / HSE ensure the scheme is adequately resourced to meet demand.

Stakeholder input in planning to meet demand

A Department of Health led 'forum', bringing stakeholders around the table on a consistent basis to plan for healthcare needs of our older population, can ensure those responsible for planning, funding and delivery can:

Workforce planning

A health strategy cannot overlook the critical importance of workforce planning for our health services. A workforce plan for the entire health service – public, private and voluntary – must be encompassed within a health strategy. This would encompass promoting education / training opportunities to pursue dedicated careers within healthcare, the re-training, recruitment and retention of healthcare staff and access to labour markets where shortages apply.

Integrated Primary and Community Care

What steps are needed to move from current model towards a model based on integrated primary secondary and community health care?

The potential exists to utilise the expertise, purpose built facilities and specialist equipment of nursing homes, and support them in the delivery of a range of services that can include intermediate care, day care, home care, independent and assisted living. These highly regulated, dedicated health settings, with their specialist staff can play further role in meeting healthcare needs in the community.

More formal, ongoing engagement between the relevant stakeholders, as recommended through establishment of a Forum, can enable the development of policy that will facilitate the provision of and timely access to healthcare support services.

Not acknowledging and funding the true costs of specialist, complex care, within the community, leads to unnecessary stays in acute hospitals at a multiple of this cost.

Accessing care services

Persons in nursing home care must not be discriminated against from accessing care services essential to support their health and wellbeing. This submission has highlighted Ombudsman and HIQA concerns in this regard. An unpublished HSE audit of access to therapies for older people in nursing home care revealed December 2013 informed of huge geographical inequalities in accessing these essential services, inequalities between residents in public and private nursing homes and discrimination based on medical card status.

Residents in nursing homes must have access to the same healthcare and health opportunities that they would be entitled to if they were living in their own homes.

Nursing home residents must retain the same entitlements to specialized equipment, therapies and access to allied health professionals as they would if they were living in their own homes.

Community Intervention Teams

Community Intervention Teams are integral to primary care delivery and must be resourced and supported to provide care within communities across the country.

What are the key barriers to achieving this & how might they be addressed?

Not recognising the high dependency health and social care needs of persons requiring nursing home care. Despite growing requirement for services, nursing homes have closed beds due to severe cost pressures being incurred and failure of funding model to recognise these.

Where ‘money does not follow the patient’ there is inefficient spend within health services.

Lack of access to GP care and other specialist care services & supports within the community, including nursing homes, works against the Government objective of enabling healthcare to be provided within the community where possible.

Lack of regulation of the home care sector leads to inequalities in effective governance, oversight and the cost of regulatory compliance.

How would you ensure buy-in from health care professionals to progress towards an integrated care model?

We need to move from a fragmented, polarised approach to community care, to a rounded, inclusive one.

Good GP and nursing care is essential for reducing acute hospital admissions. Of considerable concern, nursing homes are increasingly reporting difficulties in getting GPs to visit their residents, with refusals and lengthy delays being reported.

An important step would be GP contract stating categorically the obligations and duties of the GP to the resident within the nursing home. This would promote a mutual enhancement of a collaborative relationship that will protect and promote the care given to the residents in nursing homes.

A collaborative approach between GP services, primary / community care services and nursing homes is essential to meet health needs of our population within the community and reduce acute admissions.

Funding model

Do you have any views on which health service funding model would be best suited to Ireland?

‘Ring-fenced’, dedicated funding to support specific care services in the community can apply greater transparency in respect of health spend and resource allocation. A shift in emphasis towards ensuring primary care is better supported under the ‘money follows the patient’ can lead to more efficient spend within health services. Fair Deal is a strong ‘money follows the patient’ scheme and a payment model.

Also, greater oversight needs to be introduced to apply greater fairness and transparency between the procurer of health services on behalf of the State and the service provider. Independent oversight is significantly absent from the procurement of care within the private and voluntary nursing home sector.

A shift in emphasis towards ensuring primary care is better supported under the ‘money follows the patient’ mantra can lead to more efficient spend within health services.

A new scheme in keeping with that of Fair Deal should be introduced on a statutory basis for home care services

Greater oversight needs to be introduced to apply greater fairness and transparency between the procurer of health services on behalf of the State and the service provider.

What are the main entitlements that patients will be provided under your model?

NHI would recommend any funding model gives entitlement important elements of care that are requirement to support health and wellbeing, including for example provision of therapeutic services such as speech and language therapy, physio, dietetics, activity and social programmes.

--- ENDS ---

APPENDIX 1:

DKM Economic Consultants, *Potential Measures to Encourage Provision of Nursing Home & Community Nursing Unit Facilities*, undertaken on behalf of the Department of Health and published December 2015: “While the [Fair Deal] scheme has delivered many benefits and is a significant advance on what was in place heretofore, its current pricing model operates in an ad hoc manner, lacks rationale, consistency and fairness, only applies to the private sector, and in the long run is unsustainable.”

“Our consultations and analysis indicate that the main barrier to new investment in nursing homes is how the pricing model of the Fair Deal Scheme is operated with regard to private nursing homes. This manifests itself in terms of:

- Uncertainty around future income streams;
- Inadequate income levels to enable a return on investment in many parts of the country outside Dublin;
- Lack of reference to dependency levels of residents.

A number of other barriers have been identified during our consultations and analysis of the sector, notably:

- Availability of suitably qualified staff, both in terms of nurses and management.
- Sector fragmentation.
- Lack of available sites
- Inconsistency in the application of standards by HIQA.
- Reputational risk, which results in a premium being required from funders, compared to investment in other sectors.”

Dementia Services Information and Development Centre (DSIDC), *An Irish National Survey of Dementia in Long-Term Residential Care*, January 2015: “Our findings would lead us to conclude that the complex and high dependency needs of persons with dementia in specialist care units now need to be more realistically reflected in fairer resource allocation, in recognition of the skill mix of staff employed in specialist care units, their training needs and the level of care expected to be delivered to residents with dementia,”

Oireachtas Joint Committee on Health and Children, *Report on End of Life and Palliative Care in Ireland*, July 2014: “In reviewing the current Fair Deal Scheme consideration could be given to extending the definition of Long Term Residential Care Services, and the range of services covered by the Scheme. . . In reviewing the current Fair Deal Scheme an evidence-based cost of care model could be used in assessing the real cost of residential nursing home care in Ireland.

ⁱ *NHI Annual Survey 2014 / 2015*, June 2015

ⁱⁱ *Population & Labour Force Projections 2016 – 2046*, CSO, 2013

ⁱⁱⁱ *Irish National Dementia Strategy*, Department of Health, December 2014

^{iv} *Potential Measures to Encourage the Provision of Nursing Home and Community Nursing Unit Facilities in Ireland*, DKM Economic Consultants, December 2015

^v *An Irish National Survey of Dementia in Long-Term Residential Care*, January 2015