



**PRE BUDGET
SUBMISSION –
BUDGET 2019**

**EQUALITY & FAIRNESS
IN FUNDING FOR
SPECIALIST NURSING
HOME CARE**

SEPTEMBER 2018

Table of Contents

About Nursing Homes Ireland..... 2

Private & Voluntary Nursing Home Care 2

Higher dependency care 3

Backdrop 4

Cost Pressures 8

What is required..... 11

**APPENDIX 1, Private & Voluntary Nursing Homes per County – Number of nursing
homes, number of beds, number of people employed..... 14**

About Nursing Homes Ireland

Nursing Homes Ireland (NHI) is the representative organisation for the private and voluntary nursing home sector. 448 private and voluntary nursing homes provide specialist care in 'homes from home' to over 24,000 residents. They directly employ over 30,000 staff within hundreds of urban and rural communities spread across the country.

Private & Voluntary Nursing Home Care

Nursing homes are 24/7, dedicated healthcare settings that are essential for healthcare delivery in Ireland. Diverse teams liaise with local healthcare professionals to deliver specialist, person-centred care. Nursing home care entails 8,760 hours of care per resident, per annum.

The 30,000 people employed within the sector contribute directly over €250m per annum to the Exchequer. Many nursing homes are the largest employers within their local communities. The employment provided by them is diverse and wide-ranging. The sector has invested over €2 billion to develop high quality, specialist healthcare facilities within our cities, towns, villages and communities.

Private and voluntary nursing homes provide appropriate and affordable care to individuals who require 24/7 specialist clinical, health and social care. Without these homes, many of the 24,000 persons specialist care needs would otherwise likely have to be met in the inappropriate setting of an acute hospital.

In 2017, 8,930 people were discharged from our acute hospitals to private and voluntary nursing homes for transitional care¹. Half of the Nursing Homes Support Scheme's 9,911 applications (48%) were from acute hospitals². Without private and voluntary nursing homes our hospitals would be required to cease admissions, further exacerbating the severe challenges already presented in our acute system. Private and voluntary nursing homes are of fundamental importance for achieving Government and cross-party objective of meeting our healthcare needs within our local communities, where possible.

The lead role fulfilled by them in meeting our nursing home care needs are evident when you assess the Nursing Home Support Scheme, commonly known as Fair Deal, data. 6,310 people entered such homes under the scheme in 2017 – 78% of new entrants.

At the end of March 2018, 333 of the people classified as delayed discharged within our acute hospitals were awaiting long-term nursing care (58.2% of such persons³). Private and voluntary nursing homes provide care for fees that are one-seventh of the cost of care in an acute hospital and are tasked with providing same care for fees that are half those payable to HSE counterparts under the Nursing Home Support Scheme.

Private and voluntary nursing homes have an economic footprint across Ireland. Within urban and rural communities in every county, they are essential for job facilitation and supporting the national economy. They are the backbone of local economies. Appendix 1 informs of the number employed

¹ Data provided to NHI by HSE

² Data provided to NHI by HSE

³ HSE Performance Report March 2017

by private and voluntary nursing homes within every county, the number of these dedicated healthcare settings within each, and the collective capacity on a county-by-county basis.

The majority of private and voluntary nursing homes are small, family-run, owner operated businesses. In excess of 70% of such homes have fewer than 60 beds. They face many of the severe pressures and escalating business costs encountered by small and medium sized businesses. These are heightened due to nursing homes being 24/7 businesses. Furthermore, as presented within this submission, residents presenting for nursing home care have increasingly high dependency and acute healthcare needs. This is substantially increasing the cost pressures upon such homes.

Higher dependency care

Despite the considerable growth in our older population, the cohort of 'older' people availing of nursing home care is reducing. Census 2016 informed the percentage of people aged 65+ availing of nursing home care reduced from 4.1% in 2011 to 3.7% in 2016.

Fewer people are applying for Fair Deal and there has been considerable increase in the numbers leaving the scheme. In 2013, 10,406 applications were submitted and there were 495 fewer in 2017, a 4.75% decrease. 177 fewer people entered the scheme in 2017 by comparison with four years previously. Yet the numbers leaving has increased considerably. 795 more people left Fair Deal in 2017 by comparison with the year 2013.

The trend of fewer people applying for the scheme and entering it, contrasting with higher numbers leaving, is reflective of people presenting for nursing home care with increasingly high dependency and increasingly complex clinical, health and social care needs.

The trend has been observed by the Department of Health and the HSE. The Department of Health Review of the Nursing Home Support Scheme⁴ informed when the scheme first commenced "the average length of stay was approximately 4 years and at end of 2014 it had reduced to 1.9 years in private and public facilities for those who had entered long-term residential care since the scheme commenced". Before the Oireachtas Public Accounts Committee 9th March 2017, Pat Healy, HSE National Director of Social Care Services stated figures presented before the Committee "bear out the fact that the number of years for which people are staying in long-stay care is reducing. That means they are older and closer to end-of-life care as they go into nursing homes".

More people are availing of Fair Deal in private and voluntary nursing homes and fewer are availing of the scheme in HSE homes. Yet State expenditure per resident for HSE nursing homes is increasing while it is decreasing substantially for residents availing of care in private and voluntary homes. This perverse, discriminatory practice being inflicted by the State must be reversed.

As presented by HIQA, a number of private and voluntary nursing homes closed in 2017 due to financial pressures. The consequences of the severe inequality in funding being continued to be applied by the State will lead to further closure of these critical healthcare providers within our communities and the loss of employment. Such closures will reduce capacity within our health

⁴ Department of Health, *Review of the Nursing Homes Support Scheme, A Fair Deal*, July 2015

services and increase pressures upon our acute hospital services that rely upon them to facilitate discharges back into the community and to deter admissions.

It is imperative the State starts to recognise the true cost of providing high dependency care. It is funding care for residents its own nursing homes in the HSE that are a national average 60% above those payable in respect of residents in the private and voluntary sector⁵. The State, through the NTPF, must change its methodology from basing fees upon historic prices and geographic location and, through an appropriate funding model, recognise the reality of costs that are incurred to provide high-dependency, 24/7 specialist care.

Backdrop

Private & voluntary nursing homes economic pressures

Private and voluntary nursing homes operate within a unique business environment. They operate under a monopoly purchaser of care – ultimately the State.

The NTPF, acting on behalf of the State, is responsible for the setting of fees payable in the private and voluntary sector under the Fair Deal. Failure to agree a fee effectively leads to the closure of the nursing home. Yet, with so much at stake for the residents, the staff and provider, no right of independent appeal is available to them if they cannot agree a fee.

While a fit-for-purpose funding model is a critical requirement, as presented by independent analysis undertaken by DKM Economic Consultants on behalf of the Department of Health that is informed of further within this submission, the immediate necessity is to ensure the Fair Deal budget recognises the escalating costs presented for nursing home providers.

The threat to the sustainability of providers has been presented by HIQA, the independent regulator of nursing home care. Its recently published *Overview of 2017 HIQA regulation of social care and healthcare services* report informed of the closure of five nursing homes during 2017 due to financial concerns. HIQA states within the report: *“There are examples of certain smaller nursing homes – which provide a more homely environment – closing voluntarily due to concerns over the financial viability of running such services.”*

The closure of each represents the loss of home for those residents. It also presents the loss of jobs and impacts upon other local businesses and the provision of health services within the local community. Private and voluntary nursing homes are critical to sustain jobs in our villages, towns and cities and essential to meet our healthcare needs.

Our health services and local economies cannot tolerate closure of established healthcare providers due to State failure to recognise true costs incurred to meet persons nursing home care needs. The State must ensure the funding it allocates through the Fair Deal budget ensures sufficient resourcing is available to meet the multifaceted care needs of persons requiring this specialist care and to ensure sustainability of private and voluntary providers.

⁵ Analysis of HSE and Private and Voluntary Cost of Care under Fair Deal, February 2018

Gross inequality

Severe inequality is applied by the State in the funding of nursing home care in Ireland. This inequality is applied to the private and voluntary nursing home sector. An analysis of the latest published Fair Deal fees for HSE nursing homes – published February 2018 – informs they are now paid fees that are a national average 60% above those payable to residents in private and voluntary nursing homes. The average fee payable per resident per week in a HSE nursing home was €1,523 compared with €953 for a resident in a private and voluntary nursing home.

It is also important to note that despite the Statutory Scheme that is Fair Deal the HSE nursing homes are not subject to negotiation. Furthermore, a myriad of costs, including, but not limited to, capital costs, commercial rates and other State charges, are excluded within the fees payable under the Fair Deal to HSE nursing homes.

Analysis of HSE Expenditure on nursing home care, as presented within the HSE Annual Reports, points to the disparity. Based upon the average number of residents supported by the Fair Deal scheme in 2017, the average contribution by the HSE per resident under Fair Deal in a private and voluntary nursing home over the course of the year was €35,114 by comparison with €68,812 for a resident in an HSE nursing home.

HSE nursing homes provide care to one in every five supported by Fair Deal yet receive one-third of the scheme budget. The remaining two-thirds are provided to the sector that is providing care to four of every five people supported by it.

Over the past four years, 2013 to 2017, the number of people supported by Fair Deal in private nursing homes has increased by 1.5%. Over the corresponding period, the HSE contribution per resident has increased by average 6.6%⁶. Within HSE nursing homes the number of such residents has decreased by 6.7%, yet the contribution per resident has increased by average 8%.

The inequality is further presented within the HSE Service Plan 2018. Within the provision of €21.7 million of additional funding for the Fair Deal scheme for present year, €12 million – 55% of the additional allocation – is earmarked for HSE pay levels in public nursing homes. With 4,713 supported by Fair Deal in HSE nursing homes at the end of 2017, this equates to circa an additional €2,546 being allocated per resident within such homes, per annum. The equivalent contribution required for private and voluntary nursing homes, supporting 17,744 people year-end 2017, would amount to €45.1 million. Yet the increasing staffing costs for private and voluntary nursing homes year-on-year were not specifically recognised within the budget allocation.

The allocation of the €12 million to increase pay levels in HSE nursing homes, while the numbers availing of care within them is dramatically reducing, further highlights the gross inequality being applied by the State in utilising public funds to fund nursing home care in Ireland.

The great inequity in the funding of nursing home care and substantial growth in the dependency needs of residents presenting for this specialist care must be addressed within the State's funding allocation. It is contemptible private and voluntary nursing homes are tasked with providing care for fees that are on average 60% below those payable to HSE counterparts.

⁶ HSE Annual Reports & HSE Performance Reports data

Furthermore, independent analysis commissioned by the Department of Health informs Fair Deal is not fit for purpose. “It is untenable that the State quality regulator can assess differentiated dependency levels and in doing so impose costs on nursing homes, while the State price regulator claims it is unable to reflect the same factor in its pricing decisions,” the DKM Economic Consultants analysis *Potential Measures to Encourage the Provision of Nursing Home and Community Nursing Unit Facilities* informs⁷. It further states the “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”.

The State is willing to fund residents in its own nursing homes that are on average 60% above those payable in respect of residents in private and voluntary counterparts. Through the resourcing of the Fair Deal scheme it must recognise the true costs of provision of high dependency care. It is seeking to procure long-term residential care from private and voluntary nursing homes for fees that are simply unsustainable. Persons availing of care under Fair Deal and those providing the care must be treated equally and the gross inequity in the allocation of State funding must be addressed.

The immediate requirement is to ensure the Fair Deal budget is appropriately resourced in recognition of the higher costs presented within this submission to meet the healthcare needs of people requiring nursing home care.

England warnings

The State must be cognisant of the crisis presenting for care of the older person in England. The large growth in requirement for nursing home care and funding pressures are presenting a national emergency in healthcare delivery. Successive reports have presented the extent of the crisis to the Government.

- The Care Quality Commission, the independent regulator of health and social care services in England, has warned social care is approaching ‘tipping point’ and what is required is a long-term sustainable solution for the future funding and quality of adult social care. It has described the future of care of older people as “one of the greatest unresolved public policy issues of our time”⁸.
- The Public Accounts Committee in the UK Parliament has warned the adult social care sector in England is underfunded, with the care workforce suffering from low pay, low esteem and high turnover of staff. It has advanced requirement for the Department of Health and Social Care to bring into effect a long-term, sustainable funding regime to meet the ever-increasing demand for care, warning the Department is underestimating the scale of the challenge⁹.
- The Competition and Markets Authority has stated funding levels for the care home sector are unsustainable, a £1 billion funding gap has emerged and there is requirement for greater assurance about future funding levels¹⁰.

⁷ DKM Economic Consultants, *Potential Measures to Encourage the Provision of Nursing Home and Community Nursing Unit Facilities*, December 2015

⁸ Care Quality Commission, *The State of Health Care and Adult Social Care in England 2016/2017*, November 2017

⁹ Public Accounts Committee, UK Parliament, *The adult social care workforce in England*, May 2018

¹⁰ Competition and Markets Authority, *Care Homes – A report by the Competition and Markets Authority*, November 2017

- Age UK, the charity, has said one in seven older people are now without required social care support.

We must heed the warnings. NHI has consistently advanced the requirement for the State to lead in bringing stakeholders around the table to ensure we plan properly to meet the growth in requirement for nursing home care and other health and social care services for older people. We need only look across the water to recognise the huge problems presented in healthcare provision and for wider society when the provision of nursing home care is not appropriately planned and resourced. The time to plan and resource properly is now.

Ageing population

The CSO projects the population aged 85+ - those most dependent upon nursing home care - is projected to double the next 20 years. It presents the number of people over the age of 65 is increasing by over 20,000 persons a year.

The Department of Health is projecting requirement for an additional 10,100 – 10,500 long-stay beds by year 2031¹¹. The ESRI is projecting requirement for an additional 11,700 to 15,600 beds by the year 2030¹².

Census 2016 informed the cohort of older people availing of nursing home care is reducing. The percentage of older people (people aged 65+) availing of nursing home care reduced from 4.1% in 2011 to 3.7% in 2016¹³.

The Government must lead and plan now to ensure the complex care needs of persons availing of nursing home care can be met through appropriate resourcing and through bringing into effect an appropriate funding model and the required workforce planning.

However, the State has been warned the present funding model is not fit for purpose and is acting as a disincentive for providers who wish to expand their services to meet growth in requirement. The Department of Health commissioned analysis undertaken by DKM Economic Consultants *Potential Measures to Encourage Provision of Nursing Home & Community Nursing Unit Facilities* states: “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.”

GP Services for Nursing Home Residents

Ongoing and timely access to GP services is imperative for persons in nursing home care. HIQA’s National Quality Standards for Residential Care Settings for Older People in Ireland stipulate nursing home residents must receive “a high standard of service from the general practitioner with whom he/she is registered (or suitably qualified appointed deputy) including regular and timely consultations and out-of-hours services that is responsive to his/her needs”.

Nursing homes are reporting increasing difficulties in accessing GP services for residents, with 40% informing a recent NHI survey they have been asked to pay retainer fees. The revised GP contract

¹¹ Department of Health Capacity Review, January 2018

¹² ESRI, *Projections of Demand for Healthcare in Ireland, 2015 – 2030*, October 2017

¹³ CSO, *Census 2016 – An Age Profile of Ireland*, July 2017

provides important opportunity to ensure access to GP services for nursing home residents is based upon entitlement and is not intermittent and discriminatory in favour of persons living in the community. The new contract must state categorically the obligations and duties of the GP with regard to residents in nursing home care and fund appropriately, recognising requirements under HIQA standards to meet residents' healthcare needs.

Healthcare Assistants

With the country approaching near full employment, a severe shortage in the availability of healthcare assistants is presenting for private and voluntary nursing homes and also for the HSE. Before the Oireachtas Health Committee last July 4th, Bernard Gloster, HSE Chief Officer for Community Health said bed closures were arising in HSE nursing homes due to workforce issues¹⁴.

There are currently circa 16,000 healthcare assistants employed in the Private and Voluntary Nursing Home Sector in Ireland. A NHI Workforce Survey 2017 informs an additional 4,266 require recruiting within private and voluntary nursing homes this year due to turnover rates and the increasing nursing home population. It is projected to increase by a further 1,000 in 2019, giving a total of 5,214.

NHI's engagement principally with the Department of Business, Enterprise and Innovation and the Department of Health continues. We continue to demand the immediate removal of the role of healthcare assistant from the ineligible categories of employment for permits list. Precedent has been set by the Department of Business, Enterprise and Innovation, with Minister Humphries extending the Employment Permit Regulations to enable the hiring of overseas staff to support the agriculture sector. Removing the role of healthcare assistant is imperative. It can fulfil a lead role in alleviating the severe shortage presenting for healthcare assistant employees and alleviate present and growing crisis in this regard.

Cost Pressures

Labour costs

The nursing home sector is labour intensive. Staff costs account for 62% of private and voluntary nursing home costs. As presented within this submission, residents are presenting for nursing home care with higher dependency care needs. Staff retention is of critical importance, with the HSE competing with our Members offering differing terms and conditions. Within its *Quarterly Bulletin 3 2018*, the Central Bank has projected 'compensation' of employees (which reflects the combined impact of employment, hours and earnings) is forecast to increase by 5.5% this year and by 5.3% in 2019. This follows an increase of 4.7% in 2017.

As presented by the National Competitiveness Council within its *Cost of Doing Business in Ireland 2018* report, in the year to Q1 2018 the average hourly total labour costs for firms with less than 50 employees increased by 2.4% (from €21.19 to €21.70), for firms with 50 to 250 employees by 4 per

¹⁴ Oireachtas Health Committee meeting 4th July 2018, Bernard Gloster, HSE Chief Officer for Community Health: "The other reason that bed closures could be experienced in community nursing units is not dissimilar to bed closures in acute hospitals, which is the workforce issue. In different parts of the State we are very challenged in terms of recruiting the workforce we need for those facilities."

cent (from €24.02 to €24.99). Over the five years to Q1 2018, average hourly total labour costs increased by 4.7 per cent, from €25.70 per hour to €26.92.

The escalating staffing costs within our sector are presented in the Department of Public Expenditure and Reform staff paper *Nursing Homes Support Scheme Trends and Figures* (October 2017), which states: “And with the general economy approaching full employment, recruitment in the private nursing home sector is becoming more challenging, possible resulting in higher pay rates.”

The pressure on labour costs within our sector is exacerbated by the increased recruitment costs arising because of the scarcity of healthcare staff and the necessity to recruit from abroad. For example it costs up to €14,000 for a nursing home to identify and recruit a nurse from abroad.

Furthermore, increases in public sector pay levels, particularly those within health services, will have direct impact upon wage levels in our sector. The capacity of providers to raise additional revenue to meet any increase pay levels is simply not available to them under the constraints of the Fair Deal.

It is critical the State, through the resourcing of Fair Deal, recognises increasing staffing costs arising within the nursing home sector. Private and voluntary nursing homes must remain competitive employers and the essential role they fulfil in providing vital employment and in meeting healthcare needs within our local communities must be recognised within the fees payable through the scheme.

Recognising alone the 5.3% increase in ‘compensation’ of employees would entail requirement of additional €50.9 million to 2018 Fair Deal budget. Transferring to the Fair Deal budget spend on private and voluntary nursing homes in 2017 of €640.3 million, this would equate to estimated additional funding of €33.9 million.

Equality must be applied to the funding of pay levels within private and voluntary nursing homes. Equating the additional €12 million in funding that was earmarked for HSE pay levels to private and voluntary nursing homes to supplement their pay levels would amount to an additional €45.1 million to be specifically ringfenced within the Fair Deal budget. The Fair Deal scheme should not operate in a discriminatory manner.

Commercial Rates

Our sector is incurring a disproportionate hike in commercial rates increases under the revaluation programme being undertaken.

An NHI survey has informed the average rates bill under the proposed valuation notices is an average increase of €504 per bed, per annum. This additional cost is based upon full occupancy. If occupancy levels are 95% then that average increase rises to €614 per bed, per annum. The survey, undertaken May 2017, informs where revaluations have occurred, increases ranged from 17% to 277%. It represents an average increase cost per bed of €116%, a huge increase in the cost for providers.

The average rates bill, under the Proposed Valuation notices, are equivalent to €1,087 per bed, per annum, which is around 2.2% of the average Fair Deal rate of €930 per bed per week. This represents around 2.9% of the running costs of the typical private and voluntary nursing home.

The extent of the cost burden being incurred by private and voluntary nursing homes is presented when a survey undertaken by ISME in April 2017 highlighted only 61% of the businesses expected to incur commercial rates increase. Of those businesses, the average increase was expected to be 95%.

Nursing homes are experiencing a disproportionate increase in their cost base because of the extent of the rates being levied against them under the commercial rates revaluation process. They are being asked to shoulder a greater cost burden than counterparts. The revaluations are exacerbating the cost pressures on the sector. If nursing homes are in mid contract with NTPF under Fair deal, they have no way of recouping increased commercial rates costs. Commercial rates are presenting huge extra cost burdens on a sector that is already experiencing significant financial challenges.

The huge cost burden being imposed upon private and voluntary nursing homes is imposing severe State-influenced cost pressures upon these dedicated healthcare providers within our local communities. The State influence is discriminatory and requires redress. HSE nursing homes – those in receipt of fees that are a national average 60% above those payable to private and voluntary counterparts – are exempt from commercial rates. Furthermore, disability and other services funded by the HSE are exempt. All nursing homes are persons' homes. The discriminatory practice of applying commercial rates to private nursing homes but not doing so for HSE and voluntary nursing homes registered as charities requires redress. Equality must be applied for residents in private and voluntary nursing homes and those responsible for providing care to them. Parity and fairness is imperative. Private and voluntary nursing home residents must be exempted from commercial rates.

Insurance

There is a lack of micro-level price data available for commercial insurance. However, key categories of insurance at the consumer level do provide a useful proxy. Consumer prices for insurance as measured by the Consumer Price Index are now between 20-30 per cent higher than levels in 2014. House insurance premiums increased by 3.4% over the first seven months of 2018¹⁵, with such increases likely escalated within business costs. A survey of NHI Members undertaken last year informed between 2010 and 2016 the average insurance cost per bed increased by 136%.

We call upon the Government to expediate recommendations presented within the Personal Injuries Commissioned report and act upon the recommendations it is presenting to tackle high insurance costs. Furthermore, the Alliance for Insurance Reform has presented ten feasible, achievable actions to achieve reductions in insurance premiums. Government must, where possible, implement the recommendations with immediacy, in order to address considerable cost burdens for small and medium sized businesses arising from insurance premium costs.

¹⁵ CSO, Consumer Price Index, July 2018

Heating & Electricity

Light and heating accounts for 2.7% of nursing home costs¹⁶. The CSO Consumer Price Index, July 2018, informs of a changing trend in the pricing of electricity, gas and other fuels due to the rise in oil prices. The recent downward trend is now being reversed. Over the year 2017 to 2018, 'electricity, gas and other fuels' prices increased by 9.9%.

Given nursing homes are heating and electricity intensive settings, operating on a 24/7 basis, such significant increases add significantly to the cost burden upon private and voluntary nursing homes. They require recognition within the fees payable for care.

Required

An economically viable, sustainable private and voluntary nursing home sector is essential for healthcare delivery in Ireland and to sustain urban and rural communities. As presented by HIQA, five nursing homes closed last year, citing financial pressures. Costs are rapidly increasing. Persons presenting for nursing home care now have higher dependency care needs, entailing increased and more intensive staffing. The Fair Deal budget for 2018 recognised increased staffing costs for HSE nursing homes. The budget allocation for 2019 must address this anomaly and recognise increased staffing costs within private and voluntary nursing homes.

Long-term planning is essential if we are to ensure we are positioned to meet the long-term residential care needs of our older population.

Funding pressures and additional funding requirements have been presented within this submission. Our key asks are as follows:

- **Equality must be applied to the funding of pay levels within private and voluntary nursing homes. Equating the additional €12 million in funding that was earmarked for HSE pay levels to private and voluntary nursing homes will amount to €45.1 million. The Fair Deal scheme should not operate in a discriminatory manner. There is requirement to address this deviation in funding by providing redress within the Fair Deal budget 2019.**
- **Recognising alone the 5.3% increase in 'compensation' of employees that the Central Bank is forecasting for 2019 equates to additional funding requirement of €33.9 million to ensure private and voluntary nursing homes are positioned to meet such costs.**
- **The discriminatory practice of applying commercial rates to private nursing homes but not doing so for HSE and voluntary nursing homes registered as charities requires redress. Equality must be applied for residents in private and voluntary nursing homes and those responsible for providing care to them. Parity and fairness is imperative. Private and voluntary nursing homes must be exempted from commercial rates.**
- **Recognition in fees payable for provision of nursing home care through the Fair Deal budget of the substantial increases arising in essential business costs, namely electricity, lighting, heating and insurance.**

¹⁶ Survey of NHI Members, April 2017

To alleviate the crisis presenting in the recruitment of healthcare assistants, there is requirement for the Department of Business, Enterprise and Innovation to:

- **Remove the role of healthcare assistants from the ineligible categories of employment for employment permits list on a controlled basis.** The shortage has led to the closure of beds within nursing homes and if persists will lead to widespread closure and significant reduction in capacity. This would present a crisis across our entire health and social care sector.

Ongoing and timely access to GP services is imperative for persons in nursing home care. However, Nursing homes are reporting increasing difficulties in accessing GP services. The revised GP contract provides important opportunity to ensure access to GP services for nursing home residents is based upon entitlement and is not intermittent and discriminatory in favour of persons living in the community.

- **The new GP contract must state categorically the obligations and duties of the GP with regard to residents in nursing home care and fund appropriately, recognising requirements under HIQA standards to meet residents' healthcare needs.**

A survey of NHI Members undertaken last year informed between 2010 and 2016 the average insurance cost per bed increased by 136%.

- **We call upon the Government to expediate recommendations presented within the Personal Injuries Commissioned report and act upon the recommendations it is presenting to tackle high insurance costs. Furthermore, the Alliance for Insurance Reform has presented ten feasible, achievable actions to achieve reductions in insurance premiums. Government must, where possible, implement the recommendations with immediacy, in order to address considerable cost burdens for small and medium sized businesses arising from insurance premium costs.**

Further to the above, we reiterate our call for the Government to lead in addressing fundamental issues threatening the sustainability of private and voluntary nursing home providers. As outlined, the gross inequality in the funding of nursing home care persists. With residents presenting with increasingly high dependency care needs, it cannot be sustained. The Government must lead and assume responsibility for facilitating the planning for the nursing home care needs of our population. It can lead through:

- **Immediate publication of the review of the Fair Deal pricing mechanism.** The terms of reference for the pricing review stipulated the review be completed 1st June 2017. The terms stipulated then Minister for Health Leo Varadkar “has asked the NTPF whether it can be completed more quickly than that”. 15 months after it was scheduled to be completed, the review remains outstanding. Private and voluntary nursing homes are operating under a scheme that has remained unchanged since it was introduced in 2009. As presented by the DKM analysis, the current pricing mechanism “lacks rationale, consistency and fairness”.
- **Introduction of a funding model that recognises the reality of costs incurred to provide nursing home care.** Nursing homes provide specialist clinical health and social care to persons with high-dependency care needs on a 24/7 basis. The fee payable must be

reflective of the reality of costs incurred, including those associated with intensive staffing, continuous professional development, regulatory compliance, capital investment, and costs incurred within 24/7 dedicated healthcare settings.

- **Introduction of an independent appeals process under the Fair Deal scheme.** Failure to agree a fee during the negotiation process with the NTPF, acting on behalf of the State, will effectively lead to the closure of the nursing home. Nursing homes must be afforded the opportunity for right of independent appeal.
- **The State must lead in the establishment of a long-term care forum to advise regarding the policy and resourcing required to ensure we are positioned to meet the growing requirement for health and social care services for our older population.** We must be cognisant of the national crisis presenting for older person care in England and heed the warnings. The time to plan and resource for the considerable growth in our older population is now.

APPENDIX 1, Private & Voluntary Nursing Homes per County – Number of nursing homes, number of beds, number of people employed

