



Pre-Budget 2020 Submission

September 2019

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Introduction

Treating our older people with dignity and equality is demonstrative of a society that strides to ensure its people are treated with fairness.

Deplorably, services for older people are amongst the first to be cut when our health service budget comes under strain. In 2019, curtailment was introduced to the number of places funded under the Nursing Home Support Scheme (Fair Deal) on a weekly basis. This led to hundreds of people across the country not being supported in a timely manner to avail of the specialist care best suited to their health and social care needs. Midway through the year (end of June 2019), 846 people were awaiting Fair Deal funding approval. The 846 signified a 16% increase in the space of three weeks (June 7th: 729 people). Due to under-provision of the Fair Deal budget, the scheme and older person care were presented with a very considerable crisis, which manifested in hundreds of older people being delayed discharged in our acute hospitals.

The crisis emerged because of State negligence in its planning and resourcing to enable people access nursing home care. Internal correspondence released to Nursing Homes Ireland under Freedom of Information inform it was anticipating an increase in requirement for 527 to 717 additional people to be funded by the scheme in the year 2019. 23,305 people were funded by the scheme year-end 2018 and the 2019 Service Plan budgeted for an average 23,042 people to be funded by it. This represented the scheme actually being budgeted for 263 fewer people. It was an act of gross negligence and ultimately led to people requiring nursing home care waiting beyond ten weeks to avail of the specialist care provided by nursing homes.

When the HSE Service Plan was published in December 2018, Nursing Homes Ireland warned the unilateral reduction in the number of people to be supported by the scheme would present a crisis for our health services. Six months into the year, the crisis was presenting across Ireland in our hospitals, communities and within homes.

At year-end 2018, 57.4% of the patients in our hospitals classified as delayed discharge were awaiting long-term nursing care¹. This would equate to 118,592 of the 206,600 of the bed days lost because of delayed discharges in our acute hospitals during 2018.

10,209 people transferred from our acute hospitals to private and voluntary nursing home care in 2018². This represented a 128% increase in such transitions from three years previous (2015: 4,470), signifying the critical role of the 400+ private and voluntary nursing homes across in country in facilitating discharges from hospitals back to the community.

Fair Deal supported 9,028 people to avail of nursing home care in 2018³. With the number of people aged 85+ - the majority age cohort availing of nursing home – predicted by the CSO to increase by 49% over the next ten years⁴, it is essential resourcing of the Fair Deal recognises the growth in requirement for nursing home care and also the increasing complexity and dependency

¹ HSE Performance Report December 2018

² HSE Performance Report December 2018

³ HSE Performance Report December 2018

⁴ CSO Population and Labour Force Projections

care needs of persons presenting for it. The latter has been advanced by the Department of Public Expenditure and Reform in *Spending Review 2018: Trends in Public Social Care Service Provision and Expenditure for Older Persons*. It states: “The average length of stay in the NHSS as of the end of 2017 is less than three years, and this measure has been decreasing continuously over the life of the scheme.”

Nursing home care fulfils an essential role in healthcare provision in Ireland and in ensuring we treat our older people with respect and dignity. It is fundamentally important for the State to ensure the funding of nursing home care realistically reflects the growth in requirement for this specialist care and the high dependency and high complexity care needs of persons requiring it. The impact of the State’s failure to appropriately resource Fair Deal in 2019 resulted in older people requiring nursing home care experiencing great hardship and distress.

It must also face up to the escalation in costs that are arising in the provision of high-dependency, 24-7 care.

There is a very real requirement for the State to seriously look at how it plans for the care needs of our older population and resources such. Government should be proactive in anticipating growth in requirement for this specialist care. Assessing such can enable the budget to facilitate access to it to be future-proofed, with demand, expected cost increases (or reductions) and resourcing entailed to meet such anticipated. This would represent responsible planning by Government and a prudent undertaking.

Nursing Homes Ireland’s long-standing call for the Government to bring stakeholders around the table to plan for such has gone unheeded by the State. It remains a ‘live’ ask. In the interim, Budget 2020 cannot ignore the growth in requirement for nursing home care and additional resourcing required to meet the high dependency and specialist care needs of nursing home residents.

Advancing a Fair Deal to financially support nursing home care

The reality is that in excess of 70% of private and voluntary nursing homes are small family-run, owner operated businesses with less than 60 beds. 73% have fewer than 60 beds.

Providers are under threat and closing their doors because of the failings in appropriately resourcing nursing home care to recognise the reality of costs incurred to provide specialist care. When Fair Deal was enacted in 2009, the Government committed to review the scheme after three years. Ten years post its introduction, a review of the scheme's pricing mechanism remains outstanding. At the time of writing, September 2019, publication of the review is now over two years past its scheduled completion date. The independent analysis highlights the scheme is not meeting the reality of cost of care for persons who require the specialist care that nursing home entails.

- The Dementia Services Information and Development Centre (DSIDC) states fairer resource allocation is required in recognition of the complex and high dependency care needs of persons with dementia in our nursing homes⁵.
- Eurofound informs private nursing homes are faced with a dilemma between cutting costs or decreasing the quality of care they provide⁶.
- AIB states the financial model underpinning smaller homes is becoming increasingly more difficult to sustain and pointed to the closure of smaller nursing homes⁷.
- Bank of Ireland advances there is a requirement for a change in Fair Deal rates to promote more balanced regional development⁸.
- The Oireachtas Public Accounts Committee is concerned re utilisation of the €1 billion Fair Deal budget and the disparity in spend for HSE nursing homes⁹.
- DKM Economic Consultants has informed it is untenable dependency levels and associated costs are not reflected in Fair Deal fees. It also advances the scheme is not sustainable¹⁰.
- The regulator, HIQA, has stated the financial model underpinning small nursing homes is difficult to sustain and small nursing homes are closing¹¹

Between the period 2013 to 2018, 20 private and voluntary nursing homes with 500+ beds closed their doors. All had less than 40 beds. The regulator HIQA has expressed concern that the closure of smaller nursing homes, if allowed to continue, will impact on the choice of setting available to older people and their families in the future.

⁵ An Irish National Survey of Dementia in Long-Term Residential Care (January 2015)

⁶ Care homes for older Europeans: Public, for-profit and non-profit providers (November 2017)

⁷ Nursing homes: Outlook (November 2018)

⁸ Bank of Ireland review examines the future needs and requirements of nursing bed supply and demand in Ireland (September 2018)

⁹ Oireachtas Public Accounts Committee, *Periodic Report No. 4, May - July 2018* (December 2018)

¹⁰ DKM Economic Consultants, on behalf of the Department of Health, *Potential Measures to Encourage the Provision of Nursing Home and Community Nursing Unit Facilities* (December 2015)

¹¹ HIQA Overview reports 2017 & 2018

The closure of each represents the loss of a home for those residents. Each presents the loss of jobs and impacts upon local businesses and the provision of health services within local communities.

The viability of smaller nursing homes, which account for over 300 of private and voluntary homes across the country, is threatened by the failings of the present funding model to recognise the reality of costs incurred to provide high-dependency care.

Appropriate resourcing of Fair Deal is critical to ensure people receive specialist 24/7 health and social care that is appropriate to their care needs. It is also essential to facilitate timely discharges from our acute hospitals and to ensure healthcare needs are met in the community, as per Sláintecare objectives. The short-sightedness of failure to appropriately resource Fair Deal has been evident in 2019. At the end of June, 846 people were awaiting Fair Deal funding approval.

Furthermore, it is critical to ensure the viability of essential healthcare and jobs providers in urban and rural communities across Ireland. 438 private and voluntary nursing homes are providing care to circa 25,000 people and employing 35,000 people through direct employment. Private and voluntary nursing homes are one of the most high-value employers in our communities across the country.

Yet nursing homes are closing their doors and the independent research into the sector informs the reality of cost of care and regulations are not encompassed by Fair Deal fees.

And the State presides over gross inequity in the allocation of funding to support people availing of nursing home care.

As presented in table 1, the indicative average spend by the State under Fair Deal to provide care for a nursing home resident in a HSE nursing home was circa €72,307 in 2018. The indicative average spend per resident supported in private and voluntary nursing homes was €35,020. The contribution to residents in State nursing homes was 106% above that payable to those in private and voluntary.

The indicative spend per resident increased by 13% for over the period 2013 to 2018 for HSE residents but was half of this for residents supported by private and voluntary homes; the increase being 6.3%. Yet, over the equivalent period, non-capital expenditure for our health services increased by 24%¹².

The discrimination in care of the older person cannot continue. Budget 2020 has the opportunity to bring fairness and parity to people availing of nursing home care. It has opportunity to ensure people requiring access to nursing home care can avail of it in a timely manner.

¹² *Health in Ireland Key Trends 2018*, Total Public Non-Capital Expenditure on Health (in millions): 2013; 13,084 v 16,287

Independent Analysis

Nursing homes are under threat and closing their doors

“Smaller nursing homes — which often provide a more homely environment — are closing voluntarily due to concerns over their financial viability...Reasons cited for closure by providers included the sustainability of the financial model underpinning smaller centres, financial implications of achieving regulatory compliance — particularly the requirement to provide improved living space for residents from 2021 — and the absence of a successor for the registered provider in some small family-run centres,” *Overview report on the regulation of designated centres for older persons – 2018*, HIQA (2019)

“In 2017, five registered providers advised HIQA that they had made a decision to close their nursing home. The five nursing homes, all small centres with less than 40 residents, were located in a variety of urban and rural locations across the country...In some cases, the registered provider advised that the financial model underpinning a small nursing home was difficult to sustain, particularly in the context where extensive investment may be required to ensure regulatory compliance into the future. The closure of nursing homes that offer a smaller, homely setting is concerning and if it continues could impact on the choice of setting available to older people and their families in the future,” *Overview of HIQA regulation of social care and healthcare services 2017*, HIQA (2018)

“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,” *An Irish National Survey of Dementia in Long-Term Residential Care*, Dementia Services Information and Development Centre (2015)

“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,” *Report on End-of-Life & Palliative Care in Ireland*, Oireachtas Joint Committee on Health and Children (2014)

“It is important to analyse possible trade-offs between efficiency, quality and accessibility of services. Several studies highlight how private providers are facing a dilemma between cutting costs by decreasing the quality of service or increasing prices and thus losing competitiveness,” *Care homes for Europeans: Public for-profit and non-profit providers*, Eurofound (2017)

“As cost pressures continue to build, the financial model underpinning smaller homes is becoming increasingly more difficult to sustain, especially where investment is required to ensure regulatory compliance into the future. Twenty private and voluntary nursing homes with 535 beds in total have closed over the past five years and all had less than 40 beds. There is evidence that smaller homes have lower Fair Deal rates, almost 80% of homes with less than 40 beds have Fair Deal rates below the county average rate. The national average Fair Deal rate for these homes was €910, €52 below the national average rate of €962 in August 2018.” *Nursing Homes Outlook Report 2018, AIB (2018)*

“In reality it may require a change in policy direction and possibly Fair Deal rates to promote a more balanced regional development to ensure that capital investment is directed towards the regions where bed stocks will be most needed and people can actually age in their communities,” Bank of Ireland (2018)

“The sustained decrease in unemployment rates continues to add pressure for recruitment in the health sector particularly in the long-term care sector,” Bank of Ireland *ROI Sectors Team Health Sector 2018 Review and Outlook (2018)*

“It is not clear that the cost of care in public nursing homes is providing value for money to the taxpayer,” *Periodic Report May to July 2018, Oireachtas Public Accounts Committee*

“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,” *Potential Measures to Encourage the Provision of Nursing Home and Community Nursing Unit Facilities (2015), DKM Economic Consultants on behalf of the Department of Health*

“This gives an indication of cost pressures emerging in the sector. These pressures may arise from cost inflation with wage increases as a result, and a decreasing nurse-to-bed ratio... with the general economy approaching full employment, recruitment in the private nursing home sector is becoming more challenging, possible resulting in higher pay rates,” *Nursing Home Support Scheme Trends and Figures, Department of Public Expenditure & Reform Analysis (2017)*

“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 (NTPF) claims it is unable to reflect the same factor in its pricing decisions,” *Potential Measures to Encourage the Provision of Nursing Home and Community Nursing Unit Facilities* (2015)

Table 1

HSE Expenditure Nursing Home Support Scheme (Fair Deal)						
Year	2013	2014	2015	2016	2017	2018
Total Expenditure	913,286	900,014	910,541	931,359	964,666	992,290
Private & Voluntary Nursing Homes						
HSE Expenditure Private & Voluntary Nursing Homes						
€ ,000	591,386	585,511	603,079	623,102	640,351	649,534
% Expenditure: Private & Voluntary	65%	65%	66%	67%	66.4%	65%
Year End: No Residents Funded by Fair Deal Private & Voluntary	17,955	17,422	18,158	18,375	18,236	18,547
Year End: % of Fair Deal residents in private & voluntary nursing home care	78%	78%	78.5%	79%	79%	79.5%
2013 - 2018: % increase in number of residents supported by Fair Deal in private & voluntary nursing homes (based year- end numbers)	3.3%					
**Indicative average HSE contribution under Fair Deal per resident per annum	€32,937	€33,607	€33,212	€33,910	€35,114	€35,020
% increase spend per resident 2013 - 2018	6.3%					

HSE Nursing Homes

HSE Expenditure HSE Nursing Homes						
€,000	321,900	314,503	307,462	308,257	324,315	342,756
% Expenditure: HSE Nursing Homes	35%	35%	34%	33%	33.6%	35%
Year End: Number of residents supported by Fair Deal HSE Nursing Homes	5,052	4,938	4,915	4,767	4,713	4,758
Year End: % of Fair Deal residents in HSE nursing homes		22%	21.5%	21%	21%	20.5%
% increase / decrease in number of residents supported by Fair Deal 2013 - 2018 – based on end of year numbers	(5.8%)					
*Indicative average HSE contribution under Fair Deal per resident per annum	€63,717	€63,690	€62,555	€64,664	€68,812	€72,037
% increase spend per resident 2013 - 2018	13%					
Total	913,286	900,014	910,541	931,359	964,666	992,290

*The indicative average HSE contribution under Fair Deal per resident is calculated by dividing the number of people supported by the scheme within the relevant sector by the spend per sector over the course of the year.

Our ask

Private and voluntary nursing homes operate within a unique funding environment. They are dependent upon the State – through the Nursing Home Support Scheme (Fair Deal) – for their viability. The State is the monopoly purchaser of nursing home care. Fees payable determine the capacity of the nursing home to meet its day-to-day operational costs and the care needs of residents entrusted in their care requiring 24/7 specialist health and social care.

Analysis of Fair Deal expenditure over the six-year period 2013 to 2018 (table 1) informs expenditure per resident supported by private and voluntary nursing homes increased by 6.3%, while the number of residents provided with care in such homes increased by 3.3%. Over the equivalent period, the number of residents supported by the scheme in HSE homes decreased by 5.8%. Yet HSE homes received a 13% expenditure increase, more than double that provided to support private and voluntary residents who actually increased the numbers they supported.

The analysis clearly reflects allocation of expenditure under Fair Deal is discriminately applied. Private and voluntary providers are effectively tasked with providing care for fees payable to residents that are half those payable to HSE counterparts. As stated by HIQA within its two most recent Overview reports (referenced within this submission), nursing homes are closing their doors because they cannot sustain the financial pressures. Over the period 2013 - 2018, 20 private and voluntary nursing homes with 535 beds have closed their doors.

Private and voluntary nursing homes are closing their doors and struggling to survive under a financial model that is calculatingly skewed towards the budget-holders nursing homes. The discrimination must come to an end! For Fair Deal to become fit-for-purpose, it must become a funding model that recognises the reality of cost pressures – in particular healthcare inflation – and the growing requirement for nursing home care, in tandem with the considerable growth arising with our older population.

It is incumbent upon the State to recognise increases in the cost of providing this specialist care through the resourcing of the Fair Deal scheme. It entails ensuring increases in staffing and operational costs are factored into the Fair Deal budget. Staff costs account for 62% of private and voluntary nursing home costs. The CSO informs average annual earnings increased by 3.5% the first six months of 2019. Recognising this specific increase in labour costs within the private and voluntary nursing home sector demands a €22.7 million increase in the Fair Deal 2020 budget specific for staffing increases.

With regard to growth in requirement, in June 2019 the HSE issued a Memo that placed a strict allocation upon the number of Fair Deal and transitional care places that would be funded. The Memo was issued arising from budgetary pressures. It ultimately led to 700+ people awaiting Fair Deal funding approval across the country. It was an intolerable situation and in September 2019 additional funding was provided to enable the scheme finance an additional 750 places to try meet the shortfall.

What is senseless is the shortfall was anticipated by the HSE in 2018. An internal briefing provided by the HSE to the Department of Health, sourced by NHI under Freedom of Information, presented an additional 527 or 717 residents would require financial support, depending upon scenario. 23,305 people were funded by the scheme year-end 2018 and the 2019 Service Plan budgeted for an average 23,042 people to be funded by it. This represented the scheme being budgeted for 263 fewer people. It was an act of gross negligence and ultimately led to people requiring nursing home care waiting beyond ten weeks to avail of the specialist care provided by nursing homes.

What occurred in 2019 cannot be permitted to arise again in 2019. Government must become cognisant of the essential requirement to ensure Fair Deal is budgeted to meet the growing requirement for nursing home. As evident in 2019, ignoring the growth in requirement is counter intuitive, leading to hundreds of older people occupying hospital beds unnecessarily. The Department of Health has predicted by 2031 the over-65 population will account for approximately one half of healthcare activity¹³. It has anticipated up to 12,400 additional nursing home beds will be required to 2018 to 2031, effectively 1,000 additional beds per annum.

¹³ Department of Health / PA Consulting: *Health Service Capacity Review 2018: Review of Health Demand and Capacity Requirements in Ireland to 2031* (2018)

Ensure our health services have access to healthcare assistants

Since the beginning of 2018, Nursing Homes Ireland has been undertaking information surveys amongst membership to ascertain staffing requirements and gather evidence to demonstrate the labour shortage of care workers. Typically, 100 – 120 nursing homes participate in the ‘moment in time’ surveys. Data ascertained over the 18 months informs of a steep rise in the number of vacant healthcare assistant roles within private and voluntary nursing homes.

In May 2019, the average availability was two healthcare assistant vacancies per 99 respondent nursing homes. Replicated across the sector this equates to circa 880 healthcare assistant vacancies within private and voluntary nursing homes alone. Our predictions are that this figure will more than double by the end of the year, due to the increase in activity within nursing homes in the winter months and loss of trainees and students who fulfil current roles during the summer and subsequently leave the place of employment.

The Department of Health’s *Health Service Capacity Review 2018: Review of Health Demand and Capacity Requirements in Ireland to 2031*, is projecting requirement for an additional 11,900 to 12,400 long-term care beds over the next 15 years, representing a 43% projected increase in bed capacity. Similarly, a February 2019 joint report by the Department of Housing and Department of Health, *Housing Options for our Ageing Population*, predicts that 13,000 extra residential care beds will be required by 2031.

Within its analysis, *Projections of Demand for Healthcare in Ireland 2015-2030*, the ESRI is projecting requirement for long-term residential care to increase over the period from 29,000 to 40,700 or 44,600, depending upon scenario. Its projection is for growth in requirement to increase by 40 to 54% over the projection period. Similar increases are projected for the delivery of home care services to older people. The Institute states the additional demand will give rise to demand for increased staffing and will have major implications for workforce planning.

A Trinity College Dublin analysis published in September 2018, *Implementing Universal Healthcare: from Paper to Practice*, presents over the next six years the staffing complement within our health services will be required to expand by 6,600. Healthcare assistants will make up 29% of the additional staffing complement, equating to an additional 1,913 roles within the discipline.

Home and Community Care Ireland (HCCI), the representative body for private home care services providers in Ireland, has estimated that the home care sector will require an additional 7,000 care workers among the 80 HCCI Members alone by 2021, if capacity is to sufficiently expand to meet the demand for home care. HCCI believe this to be a very moderate estimate.

HSE correspondence released to NHI under the Freedom of Information Act further confirms the shortage of healthcare assistants is seriously impacting upon the capacity of it to deliver health services. An email from HSE Services for Older People to the Department of Health in December 2017 stated: “The shortage of home care workers is a significant issue in Dublin and growing around the country...so it is the position that there is ongoing recruitment to ensure that there will be a supply of such staff and while it’s very apparent in homecare it’s an increasing issue in

residential care particularly in urban areas.” A further email from HSE Older Person Services to the Department of Health in January this year stated: “Just to be clear, we have a shortfall of HCA’s right across older person services including residential care and home care.”

An Internal Audit Report from July 2018 by HSE South, Home Care Package (HCP) Scheme, confirms that “Home Support Service Cork and Kerry Management also confirmed that due to the inability of approved service providers to accept the offer of HCPs and the incapacity of the HSE’s own Home Help Service to provide the service directly, it can occur that approved HCPs cannot be fulfilled. The main obstacle is that both the HSE and contracted agencies cannot source staff to facilitate the required HCPs. Consequently, this can lead to delayed discharges from acute or community hospitals”.

The National Skills Bulletin 2018 reported care workers (or healthcare assistants) as being among the main vacancies notified through Department of Employment Affairs and Social Protection and Irish Jobs and were classified as a difficult to fill occupation. The report states: “If a shortage is of a temporary nature it may be more effective to source the scarce skills from abroad, rather than to increase the number of student placements in the relevant discipline”.

Speaking before the Oireachtas Health Committee in September 2017, Minister for Health Simon Harris said: “The Deputies referred to home help... In certain CHO areas there is a capacity issue regarding the availability of home care staff. That will not be a surprise to anybody. In some parts of the country we do not have a problem while in others there is a very significant challenge in that regard”.

There was acknowledgment by Minister Jim Daly in a recent Seanad debate on 3 July 2019, that the HSE are experiencing “challenges in recruiting and retaining required staffing”. The aforementioned Internal Audit Report by HSE South in July 2018, acknowledges that the biggest obstruction to provision of home care services is the inability of the HSE and contracted agencies to source available staff.

The skills shortage of ‘care workers’ applies to all aspects of the health and social care services, but is particularly affecting care in the community, notably nursing home care. The consequences of not having the necessary staffing numbers in nursing homes are severe. Nursing homes must have the number and skill mix of staff appropriate to meet the diverse clinical, health and social care needs of the resident. This requirement is justifiably stipulated within the *Care and Welfare of Residents in Designated Centres for Older People Regulations*. As previously stated, residents in nursing home care have high dependency, high acuity healthcare needs.

Independent analysis

Healthcare assistant shortage within our health services

“The Deputies referred to home help... In certain CHO areas there is a capacity issue regarding the availability of home care staff. That will not be a surprise to anybody. In some parts of the country we do not have a problem while in others there is a very significant challenge in that regard,” Minister for Health Simon Harris, Oireachtas Health Committee, 27th September 2017

“It is important to note, however, that there is a dual challenge; it is not just about funding. If we had all the money in the world in the morning, we would need to get the people to provide service. In many areas, including mine, West Cork, the biggest challenge is not the financial one but getting people to deliver the service,” Minister of State with Responsibility for Older People Jim Daly, Dáil Éireann, 25th September 2018

“HCCI has estimated that the home care sector will require an additional 6,000 healthcare assistants (HCAs) among the HSE and HCCI members in 2020 alone if capacity is to sufficiently expand to meet the demand for home care,” *Pre-Budget Submission 2020*, Home and Community Care Ireland

Our ask

Removal of healthcare assistant from the Ineligible Categories of Employment for Employment Permits List on a controlled basis.

Concerted efforts to recruit candidates from within Ireland and the EU have proven unsuccessful and the crisis is exacerbating.

Our sector and others within our health services require the State to provide the platform that will facilitate the recruitment of healthcare assistants to address the severe shortfalls that are presently presenting and leading to the closure of nursing home beds. The restriction in employment permits is acting as a severe impediment and requires urgent redress. Removal of the role of healthcare assistant will expand the pool of candidates available to fill essential healthcare assistant roles for healthcare delivery now and into the future.

Capital Expenditure – HSE Nursing Homes

As advanced, the Department of Health has predicted by 2031 the over-65 population will account for approximately one half of healthcare activity, projecting up to 12,400 additional nursing home beds will be required to year 2031 to meet requirement. Similarly, the ESRI is projecting requirement for up 15,600 additional beds over the period 2015 to 2030¹⁴.

The HSE Capital Plan 2019 commits funding of €535 million towards the refurbishment and upgrade of its nursing homes. It is highly questionable that the cost entailed has not deviated since the original investment was announced by the Department of Health three years previous, in January 2016. Based on the experience of the costs on the National Children’s Hospital, it would not be unreasonable to believe that the estimated costs since 2016, with building inflation, are most likely to have doubled and to be approaching €1 billion.

There is strong indication this is arising. In August 2019, the *Irish Independent* reported the cost to undertake the works had actually risen to €700m¹⁵. It reported when contacted regarding the overrun, Minister for Older People Jim Daly stated he was not surprised by it.

The value of the State diverting €700 million from a limited capital expenditure budget for capital works that will yield negligible additional capacity must be questioned.

The previously quoted DKM Economic Consultants report, commissioned by the Department of Health, found it untenable that fees payable under Fair Deal do not reflect the reality of costs entailed to provide high-dependency care¹⁶.

The manifestation of failure to appropriately resource the Fair Deal scheme is the closure of nursing homes with over 500 beds over the period 2013 to 2018, with HIQA informing within its past two overview reports smaller nursing homes are being forced to close their doors because Fair Deal is not recognising the reality of care costs.

¹⁴ ESRI, *Projections of Demand for Healthcare in Ireland, 2015 – 2030* (2017)

¹⁵ Irish Independent, State nursing home budget runs €300m over budget, 18th August 2019

¹⁶ DKM Economic Consultants, on behalf of the Department of Health, *Potential Measures to Encourage the Provision of Nursing Home and Community Nursing Unit Facilities*: ““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 (NTPF) claims it is unable to reflect the same factor in its pricing decisions.”

Our ask

As nursing homes are closing their doors and the regulator is stating the reality of care costs are not being recognised within fees payable, the State must seriously question the €700m spend it is planning to effectively repair HSE nursing homes. Its approach towards spending within the nursing home sector is already under scrutiny, with the Department of Health having commissioned a Value for Money Review regards State spending – a recommendation emanating from the review of Fair Deal – and a Comptroller and Auditor General examination of the scheme underway. The Oireachtas Public Accounts Committee has also raised concerns regarding non-accountability with regard to public nursing home spending. It must be asked does a €700m spend nursing homes represent value for public spend.

Equal access to essential care

“A significant percentage of residents living in nursing homes qualify for a medical card as their weekly income is below the required qualifying thresholds. The community care services that a resident may require, and which they are entitled to avail of can include physiotherapy, occupational therapy, chiropody, speech therapy, dietitians and social workers. In addition, the HSE provides medical and surgical aids and appliances, such as wheelchairs and walking aids, free of charge to medical card holders. However, in recent years, providers have reported significant delays and a lack of priority when seeking to access such services on behalf of residents who have a medical card. Such delays have significant consequences for residents of these centres whose health and wellbeing may deteriorate further if they cannot access the therapy they require in a timely manner. The consequences include diminished independence, such as residents unable to get out of bed because a suitable chair, which they would be entitled to receive, has not been provided,” *Overview report on the regulation of designated centres for older persons – 2018, HIQA*

“In relation to the Regulation on Health Care the most common breaches included:

- inadequate access to all care services, i.e. physiotherapy, chiropody, occupational therapy, or any other services as required by the resident (cited in 9% of centres). This reflects a wider funding and access issue in the sector and is an issue in particular for some private centres who are not able to access HSE services such as those listed above as they fall outside of the Fair Deal Scheme. Therefore, the options in these circumstances are either that the resident pays privately or the provider pays. Otherwise the resident does not receive the service,”

Designated centres for older people: an analysis of inspection findings during the first 15 months of inspection, HIQA, 2012

The definition of goods and services covered by the Fair Deal scheme is explicit. It entails bed and board, nursing and personal care, bedding, laundry, basic aids and appliances. Essential services to support the day-to-day living of nursing home residents, including all therapies are excluded.

The Office of the Ombudsman has previously advanced “the exclusion from the care package of therapies and social programmes appeared to be at odds with what in the words of the Department “is commonly understood as long-term nursing home care.””¹⁷

HIQA, the independent regulator, has clearly raised concerns on a long-standing basis that residents in private and voluntary nursing homes are being discriminated against by being denied access to essential services to meet their healthcare needs and support them in their day-to-day living.

¹⁷ Office of the Ombudsman, *Who Cares? An Investigation into the Right to Nursing Home Care in Ireland* (2010)

Further to this, the Oireachtas Public Accounts Committee “Committee members expressed concern that the fact that the NHSS [Nursing Home Support Scheme] does not cover certain services is leading to financial difficulties for residents of nursing homes”¹⁸. It’s periodic report for the period May – July 2018 states the HSE confirmed to it medical card services are a scarce resource and residents in nursing homes are not prioritised.

Residents within private and voluntary nursing homes should retain equal access to primary care services that are essential to support their health and improve their quality of life. People within these nursing homes should not be discriminated against. They must not be denied access to services that are readily available and accessible to people living in HSE nursing homes or are provided to them when they live at home. All citizens, regardless of the place of residence, should have equal access to primary care services. A person in a long-term residential care setting should receive the same level of services as they would if they remained in their own home.

Our ask

An older person - be they in their own home, within a nursing home or another health setting – must retain equal access to care entitlements. This access must be provided on a timely and consistent basis.

There is a requirement upon Government to systematically address the shortage of healthcare professionals to meet the requirement for essential healthcare services within our community care. An evidence-based approach must be adopted to assess the requirement for specialist healthcare professionals across Ireland and workforce planning, supported by appropriate resourcing, is required to address the discrimination of older people in our communities.

¹⁸ Oireachtas Committee of Public Accounts, Periodic Report No 4, May – July 2018 (December 2018)

Address the insurance crisis

Nursing Homes Ireland are Members of the Alliance for Insurance Reform. We support the objectives of the Alliance for Government action to substantially address the unsustainable cost of insurance in Ireland. The reforms being advanced by the Alliance are feasible, achievable within a limited timeframe and will ultimately prove effective. We urge Government to take immediate action to address the measures being advanced by the Alliance, with the private and voluntary nursing home sector similarly being threatened by spiralling insurance costs.

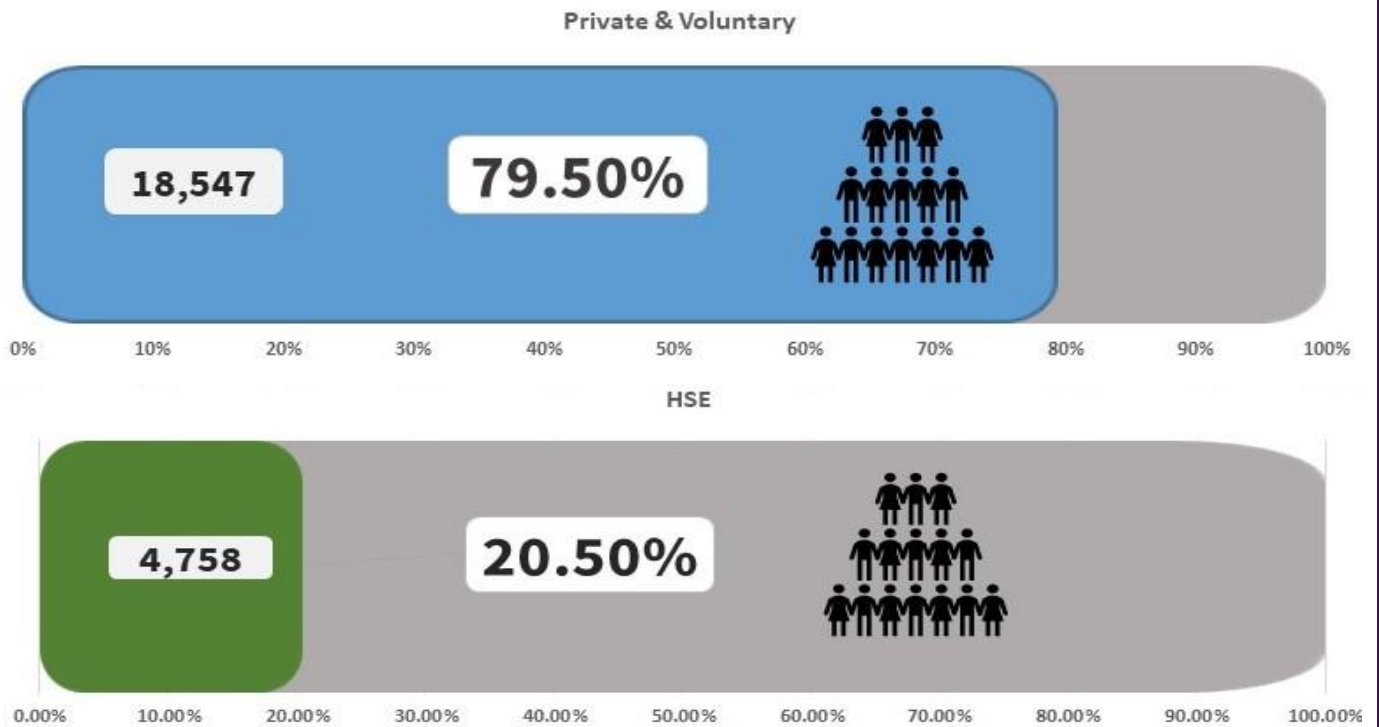
Our ask

The Alliance is advancing for Budget 2020:

Funding for the Garda response to insurance fraud. The Alliance has repeatedly proposed that this come from the PIAB's reserves.

Funding to ensure the urgent and effective establishment of the Judicial Council as necessary.

Appendix 1: Numbers funded by Fair Deal year-end 2018



Appendix 2: Fair Deal Budget Spend 2018



Appendix 3: Crisis in care of the elderly - UK

The State must be cognisant of the severe crisis presenting for care of the older person in the UK. 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.

- “Care deserts” are emerging in the UK, with 30% of areas having no residential care beds, Age UK has stated. It advances about 1.4 million older people are not getting the care they need - nearly one in seven of 65+ population. 60% of nursing homes have no places available and recruiting staff and keeping services running are proving a real challenge.
- The Government must immediately spend £8 billion to restore social care to acceptable standards the House of Lord’s Economic Affairs Committee states within *Social care funding: time to end a national scandal today*. It advances a £700 million funding shortfall has meant care homes are struggling to survive.
- 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”.
- 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 challenge.
- Four Seasons Healthcare, one of the UK’s large care homes operator, collapsed into administration in April 2019. It operates 322 homes employing 22,000 people and provides care to 17,000 residents.
- The Competition and Markets Authority has informed of a £1 billion funding gap emerging in the care home sector, with there being greater requirement for greater assurance about future funding levels. It has warned providers “may be carrying unsustainable levels of debt, and therefore may be at risk of financial distress”.
- A €4.4 billion social care funding gap is predicted by the Health Foundation for 2023/2024 arising because of necessity to meet demand and staff shortages
- 929 care homes, that provided care to more than 30,000 older people, have closed in a decade due to financial and care failings, analysis by healthcare analyst Lang Buisson has found.
- The NHS workforce trends report *A critical moment: NHS staffing trends, retention and attrition* informs of 41,000 nursing posts being vacant across the National Health Service. 100,000 vacancies are available across the English health service. The report warns “there is an urgent need to reduce the high rates of vacancies and staff turnover that we currently see”.

- The Institute for Public Policy estimates there will be a shortage of over 400,000 workers in social care in England by 2028

We must heed the warnings emanating from the UK. Underfunding of social care is leading to specialist care providers closing their doors, care standards being threatened, and the specialist care that people require not being available to them. We cannot allow a similar ‘armageddon’ scenario that has developed in the UK to emerge here. The State must commit to ensure it will ensure care of the older person is signified by appropriate funding and funding models that ensure demand for differing expert services can be met and the necessary specialist care appropriately resourced.

September 2019

ENDS