



Nursing Homes Ireland **Pre-Budget Submission 2026**

August 2025



Table of Contents

| | |
|---|-----------|
| <u>Executive Summary</u> | <u>3</u> |
| <u>1. Resource the Development of a National Nursing Home Care Policy</u> | <u>4</u> |
| <u>2. Publish the NTPF Pricing Review and Commit to Transparent, Sustainable Funding</u> | <u>5</u> |
| <u>3. Increase NHSS Resourcing to Reflect Real Costs and Protect Resident Care</u> | <u>6</u> |
| <u>4. Address Workforce Pressures to Sustain Quality Care</u> | <u>7</u> |
| <u>5. Continue Short-Term Supports and Commit to Long-Term Funding Reform</u> | <u>8</u> |
| <u>6. Establish a Dedicated Fund to Support Further Investment in Training, Upskilling, and Education</u> | <u>9</u> |
| <u>Conclusion</u> | <u>10</u> |



Executive Summary

Nursing home care in Ireland is at a critical juncture. Demographic growth, sustained sectoral cost pressures, workforce shortages, and a funding model that does not reflect the true cost of care have placed unsustainable strain on providers, undermining the stability and long-term viability of the sector.

Private and voluntary providers deliver over 80% of long-stay residential care for more than 30,000 older people, yet many operate below cost under the current Fair Deal pricing model. Without targeted intervention in Budget 2026, Ireland risks further closures, loss of local care capacity, increased pressure on acute hospitals, and displacement of residents from their homes and communities.

NHI's HOMES strategy, Highlight, Organise, Mobilise, Engage, Shape, underpins this submission. The six urgent actions we propose reflect the strategy's core aim: **highlighting** the voice of residents, **organising** sustainable policy and funding solutions, **mobilising** Government to act, **engaging** stakeholders across the system, and **shaping** the future of high-quality, rights-based nursing home care.

Our asks are:

- **Resource the Development of a National Nursing Home Care Policy** - Commit a modest, costed allocation to begin scoping, consultation, and development work, aligning with the recommendations of NHI's Supporting Ageing in Place Insights Paper.
- **Publish the NTPF Pricing Review and commit to transparent, sustainable funding reform** - Deliver on the Programme for Government pledge to "publish the NTPF review of pricing systems in early 2025 and work towards an equitable funding model for the nursing home sector."
- **Increase NHSS Resourcing to Reflect Real Costs and Protect Resident Care** - Provide a €85m (7%) uplift to address sectoral cost pressures, including wages, regulation, capital, and other essential costs, with a Government commitment to multi-annual resourcing in line with the Programme for Government pledge to move to an equitable funding model.
- **Address Workforce Pressures to Sustain Safe, High-Quality Care** - Implement workforce planning, pay parity measures, and access to primary care supports to stabilise staffing and meet growing demand.
- **Continue targeted capital supports** such as the Residential Premises Upgrade (RPU) Scheme in 2026 to address immediate sectoral cost pressures, but link them to a clear transition plan towards a sustainable and equitable funding model that reduces the need for once-off measures.
- **Establish a Dedicated Training and Skills Fund** - Invest in structured, ongoing training, upskilling, and professional development for nursing home staff to ensure a future-ready workforce.

This package represents a balanced, deliverable approach, addressing immediate cost pressures while laying the groundwork for a sustainable, equitable, and person-centred funding model.

1. Resource the Development of a National Nursing Home Care Policy

Ireland remains without a dedicated, integrated nursing home care policy.

While strategies have been developed for dementia care, positive ageing, palliative care, and end-of-life care, there is no single framework that sets out the policy, role, standards, and resourcing model for nursing home care within the health and social care system.

The Nursing Homes Ireland Insights Paper (2025)¹, based on a high-level national roundtable, highlighted that:

- Policy ownership is fragmented, with no department or agency responsible for long-term residential care in its entirety;
- Residents' access to primary care, therapies, and diagnostics is inconsistent and often dependent on provider cross-subsidisation;
- Funding and workforce decisions are reactive, creating uncertainty and limiting capacity planning;
- Lack of policy alignment contributes to regional inequities and rising pressure on persons requiring nursing home care, on workforce and the wider health and social care service.

Developing a national nursing home care policy is essential to:

- Embed resident rights, voice, and quality of life at the centre of care;
- Ensuring a sustainable funding and workforce model, aligned to the real cost of care;
- Integrate nursing home care as a proactive part of the health and social care system, not viewed solely as a step-down service;
- Support long-term capacity planning, in line with projections of an 80% increase in long-stay bed demand by 2040.

Investing in the development of a national policy is fiscally prudent and strategically aligned with wider reform. Funding can be drawn from existing Sláintecare reform and policy development allocations to cover essential elements such as staffing, research, and consultation. A modest investment now will avoid higher downstream costs, including delayed transfers of care, unplanned hospital admissions, and further closures of essential community services.

This allocation will provide the foundation for a coordinated, rights-based policy approach that ensures sustainable funding, integration with primary and community care, and improved workforce planning across long-term care, delivering on the Programme for Government commitment to “*work towards an equitable funding model*” and advancing NHI’s HOMES strategy vision.

Government should:

- Allocate resources in Budget 2026 to fund the scoping, consultation, and drafting of a National Nursing Home Care Policy, including stakeholder engagement and research.
- Ensure alignment with Sláintecare, Regional Health Area planning, and the findings of the Commission on Care for Older People.

1 Nursing Homes Ireland. (2025). *Supporting Ageing in Place Policy, Integration, and Nursing Home Care*. Nursing Homes Ireland. <https://doi.org/10.5281/zenodo.16600595>

- Establish a working group including HSE, NTPF, HIQA, Nursing Homes Ireland, sector representatives, and residents to ensure integration of quality, funding, regulation, and workforce planning.
- Ensure the policy is rights-based and person-centred, building on lessons from the Commission on Care and aligned with Sláintecare and Healthy Ageing frameworks.

2. Publish the NTPF Pricing Review and Commit to Transparent, Sustainable Funding

Ireland's nursing home sector is facing unprecedented demographic pressure, with demand for long-term residential care (LTRC) set to surge. ESRI projections (June 2025) indicate that the number of long-stay beds required will rise from 29,579 in 2022 to between 47,588 and 53,266 by 2040, an increase of up to 80%². Population ageing, particularly in the 85+ cohort, will continue to drive demand despite necessary investments in home support and community care.

Yet the Fair Deal pricing model remains opaque and inequitable. Private and voluntary nursing care providers, which deliver over 80% of care, continue to operate below cost. The disparity in resourcing is stark:

- Average Fair Deal rate: €1,232.34 per resident/week; €737.03 less than public rates.
- 2024 Fair Deal spend per private bed: €43,683; public bed: €93,900.
- Public homes also received an additional €37,650 per bed in “Nursing Home Fixed & Unit Costs,” bringing the total to €131,550 per bed; over three times the NHSS fee for private and voluntary homes.

PwC analysis (2023) shows operational costs have risen 36% since 2017, leaving care providers unable to absorb wage, energy, and compliance increases³.

The Programme for Government⁴ expressly committed to “publish the NTPF review of pricing systems in early 2025 and work towards an equitable funding model for the nursing home sector,” but this has not been fulfilled, leaving providers, families, and policymakers without the evidence base required for fair and sustainable resourcing decisions.

Government should:

- Immediately publish the NTPF Pricing Review to restore accountability and deliver on the Programme for Government commitment for ‘early 2025’.
- Adopt a transparent, evidence-based pricing model that recognises real costs, including staffing, utilities, compliance, therapies, and resident complexity, to secure long-term sustainability and enable continued investment.
- Introduce annual review mechanisms linked to demographics, workforce costs, and other sectoral cost pressures so Fair Deal funding keeps pace with the real cost of delivering care.
- Require all state-imposed cost measures to undergo a full Regulatory Impact Assessment (RIA) and be fully provided for in the NHSS budget to prevent sudden financial shocks to care providers, residents, and families.

² Economic & Social Research Institute (ESRI) (2025). *Projections of national demand and bed capacity requirements for older people's care in Ireland, 2022–2040* Dublin. <https://www.esri.ie/publications/projections-of-national-demand-and-bed-capacity-requirements-for-older-peoples-care-in>

³ PwC. (2023). *Challenges for Nursing Homes in the Provision of Older Persons Care*. <https://nhi.ie/wp-content/uploads/2023/05/PWC-Nursing-Home-Industry-Report-Final.pdf>

⁴ Programme for Government (2025) p. 97. <https://assets.gov.ie/static/documents/programme-for-government-securing-irelands-future.pdf>

3. Increase NHSS Resourcing to Reflect Real Costs and Protect Resident Care

The Nursing Home Support Scheme (Fair Deal) underpins care for over 24,000 long-stay residents, of which 19,557 live in private and voluntary nursing homes. Over 80% of residents now rely on the scheme, with private and voluntary weekly fees negotiated by the NTPF and all participating homes regulated by HIQA⁵⁶.

While Fair Deal provides financial certainty for residents, its focus is narrow, addressing only how care is resourced, not what care is delivered, how it is delivered, or what outcomes it should achieve. Multiple independent reviews, including the 2015 Review of the Nursing Homes Support Scheme⁷, and Value for Money Reviews⁸, and the Ombudsman's 2021 report *Who Cares?*, have highlighted systemic gaps⁹.

- Funding misalignment with the complexity of resident needs and regulatory requirements;
- Chronic underfunding of private and voluntary providers, which deliver 80% of all long-stay beds;
- Lack of standardised assessment tools, with the interRAI Single Assessment Tool recommended to link funding more closely to dependency levels and quality outcomes

ESRI projections show that long-stay bed demand will increase by up to 80% by 2040, driven by the rapidly growing 85+ population¹⁰. Without a cost-reflective NHSS, further closures are inevitable, with direct consequences for residents and for hospital flow as step-down capacity diminishes.

NHI recommends a €85m, or 7%, uplift in the NHSS budget for 2026 to address sectoral cost pressures, including wages, regulatory requirements, and essential service costs, and to protect the quality and continuity of resident care.

Capital initiatives such as the RPU scheme, and other once-off funding measures, have been welcomed by the sector as a demonstration of the State's willingness to support providers in meeting the rising costs of care and addressing sectoral pressures.

However, these measures alone will not secure a sustainable and equitable funding model. NHI calls on Government to commit to an equitable model of funding for the sector by moving towards a future in which once-off schemes are no longer a necessary feature of resourcing, because core Fair Deal funding fully reflects the real cost of care.

This investment must be accompanied by a shift from single-year allocations to multi-annual resourcing, enabling providers to plan for workforce, capacity, and quality improvements. This would deliver on the Programme for Government commitment to “work towards an equitable funding model for the nursing home sector” and support broader objectives such as ensuring that waiting lists do not exceed four weeks.

5 BDO (2025). *Private and Voluntary Nursing Homes: Biannual Pulse Survey Report July 2025*.

6 Nursing Homes Ireland. (2025). *Supporting Ageing in Place: Policy, Integration, and Nursing Home Care*.

7 Department of Health. (2015). *Review of the Nursing Homes Support Scheme, A Fair Deal*, pp. 12–13.

Dublin: Government of Ireland. <https://assets.gov.ie/14095/f39a443d0a054c78a548d5fad8711df4.pdf>

8 Department of Health (2021). *A Value for Money Review of Nursing Home Care Costs*.

<https://assets.gov.ie/static/documents/a-value-for-money-review-of-nursing-home-care-costs.pdf>

9 Office of the Ombudsman. (2021). *Who Cares? An Investigation into the Right to Nursing Home Care*. <https://ombudsman.ie/pdf/?file=https://assets.ombudsman.ie/media/285271/7b841825-3c97-47ca-8440-66ae886d7848.pdf#page=null>

10 ESRI (2025). *Projections of national demand and bed capacity requirements for older people's care in Ireland, 2022–2040*

Government should:

- Increase the NHSS budget ceiling by €85m in 2026 to address sectoral cost pressures and protect resident care.
- Commit to a multi-annual resourcing model that gives certainty for planning and investment, in line with the Programme for Government commitment to an equitable funding model.
- Ensure all NHSS residents, regardless of provider type, have equitable access to primary care, therapies, and aids & appliances.
- Ensure waiting lists for the scheme do not exceed four weeks.

4. Address Workforce Pressures to Sustain Quality Care

Insights captured at a national roundtable discussion in February 2025 highlighted that workforce shortages and instability are among the most pressing challenges facing nursing home care. Providers reported acute pressure in recruiting and retaining staff, filling clinical gaps, and sustaining safe, person-centred care in the context of increasingly complex resident needs¹¹.

Nursing home staff are central to the delivery of care, with labour costs now accounting for on average 61% of total revenue. Residents are older and more clinically complex, with over 56% requiring high or maximum dependency care, increasing care intensity and driving the need for skilled, stable teams¹².

The sector's growing reliance on international recruitment, now accounting for nearly half of all nurses, is both essential and challenging. While the Department of Health has introduced a temporary derogation allowing renewal of non-EEA permits beyond the 50% threshold, this applies only to renewals and does not resolve the long-term workforce shortage. A permanent legislative change will be required to support providers to secure the international staff needed to meet growing demand.

Without reform and sustainable funding, homes will remain vulnerable to staffing gaps and further closures.

Career progression for Healthcare Assistants (HCAs), expansion of Clinical Nurse Specialist (CNS) and Advanced Nurse Practitioner (ANP) roles, and recognition of nursing home care as a clinical learning environment, are all critical to elevating the sector, strengthening retention, and building a sustainable workforce.

Government should:

- Fund statutory labour and compliance costs, ensuring that increases in minimum wage, PRSI, pensions, and regulatory requirements are reflected in Fair Deal resourcing, protecting safe staffing levels.
- Expand international recruitment and reform the 50/50 non-EEA rule and streamlining permits to secure the workforce needed for rising care demands.
- Establish a dedicated fund to support further investment in gerontological training and career progression, including CNSs, ANPs, and structured HCA pathways, to retain skilled staff and strengthen clinical capacity.
- Develop a national workforce plan for long-term care, incorporating safe staffing standards, gender-sensitive supports, and recognition of nursing home care as an essential clinical learning environment.

¹¹ Nursing Homes Ireland. (2025). p. 48, *Supporting Ageing in Place: Policy, Integration, and Nursing Home Care*

¹² BDO (2025). *Private and Voluntary Nursing Homes: Biannual Pulse Survey Report July 2025*.

5. Continue Short-Term Supports and Commit to Long-Term Funding Reform

Private and voluntary nursing home care providers remain under financial strain, with Fair Deal resourcing failing to cover the full cost of care. While it supports accommodation and nursing costs, essential services such as therapies, diagnostics, GP care, and staff training are excluded, leaving residents, families and providers to absorb or cross-subsidise these costs¹³. This creates inequities, undermines trust in the system, and places providers under ongoing financial pressure.

Short-term capital or targeted support schemes, such as the Residential Premises Upgrade (RPU) scheme, have been welcomed by the sector as a practical demonstration of the State's willingness to assist providers in meeting immediate sectoral cost pressures. Schemes of this kind provide important relief but cannot replace a sustainable and equitable funding model that fully reflects the full cost of care. We would welcome the continuation of comparable schemes in the immediate term, but they must be clearly linked to a transition plan that phases out reliance on once-off measures.

These schemes should form part of a clear transition plan towards long-term reform. In the future, the Fair Deal scheme must be resourced to a level that reflects the full and defined "basket of care," so that once-off capital or emergency funding becomes the exception rather than a recurring necessity. This shift is essential to give providers the stability to plan effectively, invest in quality improvement, and meet rising demand.

Government should:

- Provide for the continuation of targeted capital or sectoral support schemes in 2026 to offset immediate cost pressures and stabilise homes at risk.
- Link such short-term supports to a defined transition plan that moves towards an equitable, sustainable funding model in line with the Programme for Government commitment.
- Adopt a transparent, evidence-based, and rights-based funding model that recognises real costs, including staffing, utilities, compliance, resident complexity, therapies, diagnostics, staff training, and community contribution, ensuring parity with public provision, long-term sustainability, and continued investment.

Maintaining targeted short-term support while committing to long-term reform will ensure nursing home care remains sustainable, equitable, and capable of meeting the needs of Ireland's ageing population.

¹³ Nursing Homes Ireland. (2025). p.54, *Supporting Ageing in Place: Policy, Integration, and Nursing Home Care*.

6. Establish a Dedicated Fund to Support Further Investment in Training, Upskilling, and Education

The quality and safety of nursing home care depends not only on having sufficient staffing but on a skilled and continually developing workforce. As residents present with higher dependency and more complex clinical needs, private and voluntary nursing home care requires structured, ongoing investment in staff training and professional development to maintain best-practice, person-centred care.

An example of successful innovation and partnership is the Department of Health and LHP Skillnet programme, which funds specialist gerontological training¹⁴. This initiative is forward-thinking and impactful, providing staff with the expertise needed to manage the complex needs of older people while enhancing retention and care quality. Scaling such models would deliver a significant return for residents, the workforce, and the wider health system¹⁵.

Roundtable discussions reinforced that career progression, clinical specialisation, and ongoing professional development are essential to retain staff and elevate the sector. Expanding Clinical Nurse Specialist (CNS) and Advanced Nurse Practitioner (ANP) roles, supporting structured career pathways for Healthcare Assistants (HCAs), and recognising nursing home care as a clinical learning environment for undergraduate nurses and allied health students are all critical to building a sustainable workforce¹⁶.

Currently, private and voluntary nursing home care providers shoulder significant costs for essential training.

Government should:

- Provide for the continuation of targeted capital or sectoral support schemes in 2026 to offset immediate cost pressures and stabilise homes at risk.
- Link such short-term supports to a defined transition plan that moves towards an equitable, sustainable funding model in line with the Programme for Government commitment.
- Adopt a transparent, evidence-based, and rights-based funding model that recognises real costs, including staffing, utilities, compliance, resident complexity, therapies, diagnostics, staff training, and community contribution, ensuring parity with public provision, long-term sustainability, and continued investment.

¹⁴ Leading Healthcare Providers Skillnet. (2024). Postgraduate Diploma in Gerontological Nursing in Partnership with the Department of Health. <https://www.lhpskillnet.ie/news/pgaddip-in-gerontological-nursing-in-partnership-with-the-doh>

¹⁵ Nursing Homes Ireland. (2025). p. 48, *Supporting Ageing in Place: Policy, Integration, and Nursing Home Care*

¹⁶ Caulfield, P., Hynes, T., & O'Connor, P. (2022). *A System Dynamics Model of Nursing and Midwifery Workforce Supply*. *Spending Review 2022*. Research Services & Policy Unit, Department of Health, Irish Government Economic and Evaluation Service. <https://assets.gov.ie/290148/3bdeb7f3-4450-472f-bb4d-1bdfb3d52159.pdf>

Conclusion

Ireland's nursing home care sector is at a tipping point. Without decisive action in Budget 2026, the combined impact of demographic growth, sectoral cost pressures, and workforce shortages will further destabilise care provision, leading to closures and reducing access for those who need it most.

Nursing Homes Ireland's six recommendations offer a balanced plan, tackling immediate pressures while delivering the reforms needed to build a sustainable, equitable, and rights-based model of care. These proposals are practical, costed, and aligned with existing Government commitments, including the Programme for Government pledge to move towards an equitable funding model for the sector.

Above all, they place residents at the heart of care planning, ensuring that older people can live with dignity, choice, and security in their communities.

Call to Action

Nursing Homes Ireland urges Government to:

- Act in Budget 2026 to deliver the targeted investments outlined in this submission.
- Commit to long-term reform that secures an equitable and sustainable funding model.
- Work in partnership with residents, providers, and stakeholders to shape the future of nursing home care.

By taking these steps now, Government can protect care capacity, honour its commitments, and ensure Ireland is ready to meet the needs of an ageing population, not only in the years ahead, but for generations to come.





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