

## Mandy Nolan Reade

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**Subject:** FW: HEA-MO-04756-2023

**From:** Ministers Office <[noreplymo-health@corr.cloud.gov.ie](mailto:noreplymo-health@corr.cloud.gov.ie)>

**Sent:** Thursday, July 20, 2023 1:39 PM

**To:** Honor Dunphy <[hdunphy@waterfordcouncil.ie](mailto:hdunphy@waterfordcouncil.ie)>

**Subject:** HEA-MO-04756-2023

HEA-MO-04756-2023

20th July 2023

Seo deimhniú le cur in iúl duit go bhfuair an Roinn Sláinte do chomhfhreagras agus cuirfear ar aghaidh é chuig na hoifigigh chuí le freagairt.

Le do thoil, tabhair faoi deara go bhfuil méid mór comhfhreagrais gan fasach á fháil ag an Roinn faoi láthair. Déanfar gach iarracht lena chinntiú go bhfaighidh tú freagra chomh luath agus is féidir.

Gabhann an Roinn Sláinte buíochas leat as do chomhfhreagras a chur chugainn.

Is teachtaireacht uathoibríoch í seo. Le do thoil, ná freagair an ríomhphost seo.

Is Oifigeach Poiblí Ainmnithe é an tAire faoin Acht um Brústocaireacht a Rialáil 2015 (tuilleadh sonraí ar fáil ar [www.lobbying.ie](http://www.lobbying.ie))

The Department of Health acknowledges receipt of your correspondence which will be forwarded to officials for attention and advice.

Please be advised that the Department is receiving an unprecedented volume of correspondence. We will seek to ensure you receive a response as quickly as possible.

The Department of Health thanks you for your correspondence.

This is an automated message. Please do not reply directly to this email.

The Minister is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on [www.lobbying.ie](http://www.lobbying.ie))



## Mandy Nolan Reade

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**Subject:** FW: HEA-MO-04756-2023

**From:** Ministers Office <noreplymo-health@corr.cloud.gov.ie>

**Sent:** Wednesday, August 2, 2023 1:12 PM

**To:** Honor Dunphy <hdunphy@waterfordcouncil.ie>

**Subject:** HEA-MO-04756-2023

HEA-MO-04756-2023

2nd August 2023

Dear Councillors,

On behalf of Steven Donnelly, Minister for Health, I would like to thank you for your correspondence of 18 July 2023 informing me of the resolution tabled and agreed at your recent meeting of 10 July and note the contents of same with interest.

The Nursing Homes Support Scheme (NHSS), more commonly known as the "Fair Deal" scheme, was designed to protect and support vulnerable older people by ensuring equal access to nursing home care based on what they could afford. This gives certainty to people and families. Government funding for Fair Deal is to support vulnerable older people at a time in their lives where full-time care is essential.

### **Current Funding**

The Department of Health acknowledges that there are variations in the cost of care across public centres as well as across private nursing homes, with HSE Community Nursing Units generally having a higher cost of care.

In December 2021, the Department published the independently chaired Value for Money review on nursing home costs. The review found that the cost differential is largely driven by variances in staff-to-resident ratios and the skill mix in public and private nursing homes.

The Value for Money Review made nine recommendations which the Department continues to take forward. It should be noted that many of the recommendations from the report were already in progress and overlap with existing reforms.

Overall, €1.4 billion of the total Health Budget was allocated last year to support over 22,700 people under Fair Deal. This will increase to nearly €1.5 billion for 2023, and I am cognisant that the budget has to support all residents under the Scheme for the full calendar year.

The Government is conscious of the financial challenges faced by the nursing home sector, especially smaller and voluntary nursing homes that may not have access to the same economies of scale as larger homes or groups. The Government has provided substantial support to the private and voluntary nursing home sector over the course of the pandemic. Over €150m of financial support has been provided to private and voluntary nursing homes through the COVID-19 Temporary Assistance Payment Scheme (TAPS) and the provision of free PPE and oxygen to private nursing homes continues, costing approximately €77 million to date.

A new €10 million Temporary Inflation Payment Scheme (TIPS) was established last year to support private and voluntary nursing homes with increases in energy costs, covering 75% of year-on-year cost increases up to a

monthly cap of €5,250 per nursing home. Following a recent review this scheme was extended for a second time to the end of June 2023.

The only mechanism for funding from the public purse for nursing home residents is Fair Deal and it is really important that private and voluntary providers continue to engage in the process as set out in the Nursing Home Support Scheme Act 2009 (NHSS Act 2009).

### **Role of the NTPF**

The long-established statutory mechanism through which private and voluntary nursing homes are funded was established by the Oireachtas under the NHSS Act 2009. This legislation outlines the process for private and voluntary providers to negotiate the prices for their services with the designated State agency, the National Treatment Purchase Fund (NTPF).

Maximum prices for individual nursing homes are agreed with the NTPF following these negotiations and are based on the NTPF's cost criteria, such as costs reasonably incurred by the nursing home, local market prices, historic prices and overall budgetary capacity.

Under the NHSS Act 2009 the NTPF has statutory independence, and there is no role for Ministers or the Department of Health in negotiations with individual nursing homes. I cannot comment on individual NTPF negotiations and it must be appreciated that this is a matter for each individual nursing home and the NTPF. Nevertheless, it is important that lines of communication are maintained during the negotiation process at all times.

Overall, approximately 425 private nursing homes negotiate with the NTPF. The Department of Health and I have regular interaction with the NTPF and met them recently to discuss ways to support the sector, where necessary and appropriate, to complement the normal process of negotiating rate increases when contracts are renewed.

Budget 2023 saw an over €40 million in additional funding for the NHSS which will provide for an uplift in the maximum prices chargeable by private and voluntary nursing homes, as negotiated. Anyone who has had a scheduled renegotiation of their Deed of Agreement this year with the NTPF has seen a significant uplift.

The department is conscious of private and voluntary nursing homes that are not scheduled to renegotiate their Deed of Agreement in 2023 and other options are being considered. One of the options under consideration is for nursing home providers to agree to a shorter contract duration with the NTPF.

It is also important to note that the HSE is statutory provider of last resort and will always step in where a resident's needs are sufficiently complex that they are not able to be cared for elsewhere in the community. The HSE needs to be equipped to deliver that kind of complex care. The HSE will support families in a situation where a private nursing home is no longer able or willing to provide care under Fair Deal to a loved one. Ensuring that the welfare and safety of residents is secured when nursing homes close is of the utmost importance. It is essential that when nursing homes are intending to close or cease participating in the NHSS, residents and their families must be consulted with and given appropriate notice so that new homes can be found and they can be moved in a safe, planned way.

### **Closures**

The Department of Health takes the closures of nursing homes very seriously. The closure of nursing homes can put pressure on other local health and social care facilities. It is vital that the welfare of residents is ensured. Ensuring the welfare and safety of residents is secured when nursing homes close is the most important thing and work to alleviate the concerns of residents and their families must continue.

Fourteen private nursing homes closed in 2022 and, to date, 6 private nursing homes have closed in 2023. A further four private nursing homes, which are currently active, have notified closure in 2023. Four new centres opened in 2022 and two new centres have opened to date in 2023.

Overall, 2022 saw a net addition of 112 registered beds to total national capacity of private beds, whilst 2023 has seen an increase of 222 to date. This is due to the relatively larger size of new nursing homes compared to closures and the addition of capacity in existing homes.

Nursing home owners may choose to exit the market for a variety of reasons, for example due to retirement. Nevertheless, it is essential that when nursing homes are intending to close or cease participating in the NHSS, that residents and their families must be consulted with, and given appropriate notice so that new homes can be found and residents can move in a safe, planned way.

There is also a legal requirement that providers must give at least 6 months' notice to the Health Information and Quality Authority (HIQA) if they intend to close. This provides residents, families and public health authorities appropriate time to respond effectively.

It is imperative that nursing homes manage potential cost pressures in line with their regulatory and contractual responsibilities, maintaining their quality of care so that residents' comfort is not affected.

### **Sectoral Reform**

Important strands of reform to the nursing home sector are being, or have been, brought forward. The Government remains committed to delivering on:

- The nine recommendations that emerged from the Value for Money Review on Nursing Home Costs,
- The 86 recommendations of COVID-19 Nursing Homes Expert Panel, especially those recommendations related to long-term sectoral reform,
- The four recommendations of the NTPF Review of Pricing System for Long Term Residential Care Facilities, and
- The 16 recommendations of the Strategic Workforce Advisory Group on Home Carers and Nursing Home Health Care Assistants.

Work continues within the Department of Health to deliver on all of these recommendations, as well as analysing the outcomes of the Skills Mix and Safe Staffing pilots which will serve to inform future policy.

Given the size, complexity and cost of the NHSS, implementation is complex and any changes in policy direction need to be carefully assessed and kept under review. The Department of Health is consistently seeking to identify improvements and introduce enhancements to the scheme, where feasible, which aims to ensure that long-term nursing home care is sustainable, accessible and affordable for everyone and that people continue to be cared for in the most appropriate settings.

In addition to the above, the Department of Health is also working on a proposal to introduce, on a temporary basis, a scheme to provide additional financial support to the sector. The scheme is currently being developed and further details will be announced as soon as the scheme specifics are finalised.

I hope this information is useful to you.

Yours sincerely,

Fiona Conroy

Private Secretary to the Minister for Health



## Mandy Nolan Reade

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**Subject:** FW: Your ref: DLJ/2023/22

**From:** Minister of State Butler <noreplymosb-health@corr.cloud.gov.ie>

**Sent:** Friday, August 11, 2023 3:14 PM

**To:** Honor Dunphy <hdunphy@waterfordcouncil.ie>

**Subject:** Your ref: DLJ/2023/22

Our ref: HEA-MoSB-01029-2023

Your ref: DLJ/2023/22

10 August 2023

Waterford City and County Council,  
Dungarvan and Lismore District,  
c/o Honor Dunphy, Meetings Administrator,  
[hdunphy@waterfordcouncil.ie](mailto:hdunphy@waterfordcouncil.ie)

Dear Councillors,

Thank you for your correspondence of 18 July 2023, informing me of the resolution tabled and agreed at your meeting of 10 July. I note the contents of same with interest. I am aware that Minister Donnelly has also been informed of your resolution by duplicate correspondence, and my Department has issued a response under reference number HEA-MO-04756-2023.

The Nursing Homes Support Scheme (NHSS)

The Nursing Homes Support Scheme (NHSS), more commonly known as the 'Fair Deal' scheme, was designed to protect and support vulnerable older people by ensuring equal access to nursing home care based on what they could afford. Government funding for Fair Deal is to support vulnerable older people at a time in their lives where full-time care is essential, giving certainty to people and families.

The Department of Health acknowledges that there are variations in the cost of care across public centres as well as across private nursing homes, with HSE Community Nursing Units generally having a higher cost of care.

In December 2021, the Department of Health published the independently-chaired Value for Money review on nursing home costs. The review found that the cost differential is largely driven by variances in staff-to-resident ratios and the skill mix in public and private nursing homes. The Value for Money Review made nine recommendations which the Department continues to take forward. It should be noted that many of the recommendations from the report were already in progress and overlap with existing reforms.

**Funding Supports**

Overall, €1.4 billion of the total Health Budget was allocated last year to support over 22,700 people under Fair Deal. This will increase to nearly €1.5 billion for 2023, and I am cognisant that the budget has to support all residents under the Scheme for the full calendar year.

The Government is conscious of the financial challenges faced by the nursing home sector, especially smaller and voluntary nursing homes that may not have access to the same economies of scale as larger homes or groups. The Government has provided substantial support to the private and voluntary nursing home sector over the course of the pandemic. Over €150m of financial support has been provided to private and voluntary nursing homes through

the COVID-19 Temporary Assistance Payment Scheme (TAPS) and the provision of free PPE and oxygen to private nursing homes continues, costing approximately €77 million to date.

A new €10 million Temporary Inflation Payment Scheme (TIPS) was established last year to support private and voluntary nursing homes with increases in energy costs, covering 75% of year-on-year cost increases up to a monthly cap of €5,250 per nursing home. This scheme was extended for a second time to the end of June 2023 and is currently under review for a further short-term extension.

The only mechanism for funding from the public purse for nursing home residents is Fair Deal and it is really important that private and voluntary providers continue to engage in the process as set out in the Nursing Home Support Scheme Act 2009 (NHSS Act 2009).

#### The National Treatment Purchase Fund

The long-established statutory mechanism through which private and voluntary nursing homes are funded was established by the Oireachtas under the NHSS Act 2009. This legislation outlines the process for private and voluntary providers to negotiate the prices for their services with the designated State agency, the National Treatment Purchase Fund (NTPF).

Maximum prices for individual nursing homes are agreed with the NTPF following these negotiations and are based on the NTPF's cost criteria, such as costs reasonably incurred by the nursing home, local market prices, historic prices and overall budgetary capacity.

Under the NHSS Act 2009, the NTPF has statutory independence, and there is no role for Ministers or the Department of Health in negotiations with individual nursing homes. I cannot comment on individual NTPF negotiations and it must be appreciated that this is a matter for each individual nursing home and the NTPF. Nevertheless it is important that lines of communication are maintained during the negotiation process at all times.

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I am conscious of private and voluntary nursing homes that are not scheduled to renegotiate their Deed of Agreement in 2023 and other options are being considered, including for nursing home providers to agree to a shorter contract duration with the NTPF. Future options for additional financial support to the sector are also being considered.

It is also important to note that the HSE is statutory provider of last resort and will always step in where a resident's needs are sufficiently complex that they are not able to be cared for elsewhere in the community. The HSE needs to be equipped to deliver that kind of complex care. The HSE will support families in a situation where a private nursing home is no longer able or willing to provide care under Fair Deal to a loved one.

Ensuring that the welfare and safety of residents is secured when nursing homes close is of the utmost importance. It is essential that when nursing homes are intending to close or cease participating in the NHSS, residents and their families must be consulted with and given appropriate notice so that new homes can be found and they can be moved in a safe, planned way.

#### Closures

The Department of Health takes the closures of nursing homes very seriously. The closure of nursing homes can put pressure on other local health and social care facilities. It is vital that the welfare of residents is ensured. Ensuring the welfare and safety of residents is secured when nursing homes close is the most important thing and work to alleviate the concerns of residents and their families must continue.



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It is important to note that nursing home owners may choose to exit the market for a variety of reasons, for example due to retirement. Nevertheless, it is essential that when nursing homes are intending to close or cease participating in the NHSS, that residents and their families must be consulted with, and given appropriate notice so that new homes can be found and residents can move in a safe, planned way.

There is also a legal requirement that providers must give at least 6 months' notice to the Health Information and Quality Authority (HIQA) if they intend to close. This provides residents, families and public health authorities appropriate time to respond effectively.

It is imperative that at all times nursing homes manage potential cost pressures in line with their regulatory and contractual responsibilities, maintaining their quality of care so that residents' comfort is not affected.

### **Sectoral Reform**

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- The 16 recommendations of the Strategic Workforce Advisory Group on Home Carers and Nursing Home Health Care Assistants.

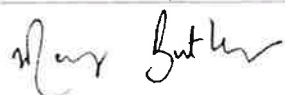
Work continues within the Department of Health to deliver on all of these recommendations, as well as analysing the outcomes of the Skills Mix and Safe Staffing pilots which will serve to inform future policy.

Given the size, complexity and cost of the NHSS, implementation is complex and any changes in policy direction need to be carefully assessed and kept under review. The Department of Health is consistently seeking to identify improvements and introduce enhancements to the scheme, where feasible, which aims to ensure that long-term nursing home care is sustainable, accessible and affordable for everyone and that people continue to be cared for in the most appropriate settings.

In recent weeks I held a roundtable discussion with private nursing home provider representative groups and will continue to engage going forward. Discussions on next year's Estimates and Budget 2024 are ongoing and a wide range of initiatives are under consideration.

I hope this information is useful to you.

Yours faithfully,



Mary Butler T.D.  
Minister for Mental Health and Older People