



Feidhmeannacht na Seirbhíse Sláinte
Health Service Executive

Public Accounts Committee

Meeting

Thursday 1st October 2020

Opening Statement

By

Mr Paul Reid

Chief Executive Officer

Health Service Executive

Chairperson and Members, thank you for the invitation to attend today's meeting to discuss the Comptroller & Auditor General Special Report 110 Nursing Homes Support Scheme (Fair Deal). As this is our first meeting with the Committee I would like on behalf of the HSE to wish the Committee well with its important work and to ensure you that the HSE will assist the Committee in every way we can.

The HSE colleagues joining me today are:

- Ms Anne O Connor, Chief Operations Officer
- Mr Stephen Mulvany, Chief Financial Officer
- Mr Ultan Hynes, Head of Service, Nursing Homes Support Scheme

We submitted as requested a briefing paper on the Nursing Home Support Scheme in advance of the meeting and I will therefore confine my opening remarks to the following:

The Nursing Homes Support Scheme (Fair Deal) is a scheme of financial support for clients who are deemed to require long-term residential care. The Scheme was established under the Nursing Homes Support Schemes Act 2009 and currently supports over 22,572 residents at HIQA registered older persons' residential settings. In 2020, in excess of €1bn is assigned to the Scheme to support those clients.

The HSE provides residential care for some 20% of those funded under the Scheme. As well as being a service provider, the HSE also administers the Scheme which was the primary focus of the C&AG's' Special Report.

While the HSE administers the Scheme, the National Treatment Purchase Fund agrees the weekly maximum price for private Nursing Homes. The cost of care for public Nursing Homes is calculated by the HSE and does not exceed the cost to the HSE of providing such services.

The HSE acknowledges that there is a variance in the average cost of care paid to public versus private Nursing Homes with HSE centres generally having a higher cost of care. There are a number of key factors driving this variance, including pay related issues, with generally higher staff pay rates and conditions at public Nursing Homes, as well as higher staffing ratios. The physical build at a number of older HSE centres also adds costs due to the extra staffing levels required to manage clients in such circumstances. There was also a requirement for a reduction in the number of long-stay public beds to comply with health and safety, fire regulations and HIQA compliance with residential care standards. Finally, the HSE provides residential care services in locations that are not viable for private providers. The HSE has inputted to the Department of Health value for money review of nursing home costs which is ongoing.

The administration of the Nursing Homes Support Scheme requires significant resource input by the HSE for both the application process and the financial administration of the Scheme, including the oversight of a process to manage payments of €1bn annually to both public and private Nursing Homes.

I welcome the nine HSE specific recommendations of the C&AG's Special Report and note that the HSE has designed a Management Action Plan which assigned responsibility for the implementation of all the HSE recommendations, the majority of which are now implemented. The HSE is committed to working proactively with all other identified stakeholders noted in this special report including the Department of Health.

This concludes my opening statement.

Thank you.