Appropriation Account 2021

Public Accounts Committee

VOTE 38 – DEPT. OF HEALTH

Table of Contents

Administration Budget Subheads: A1, A2, A3, A4, A5, A6 & A7

	Estimate Provision	Outturn	Less/(More) than provided
	€000	**€000**	**€000**
A1 – Salaries, Wages & Allowances	44,800	44,916	(116)
A2 – Travel and Subsistence	275	112	163
A3 – Training, development & incidental expenses	3,304	3,127	177
A4 – Postal & Telecommunications Services	180	143	37
A5- Office equipment & external IT services	2,541	2,706	(165)
A6- Office Premises Expenses	972	654	318
A7 – Consultancy Services & VFM & policy reviews	2,000	371	1,629
Total	**54,072**	**52,029**	**2,043**

Subhead: A1 Salaries, Wages and Allowances [incl. Note 5]

	€,000
Estimate Provision	**44,800**
Outturn	44,916
More than provided	**(116)**

This subhead provides for the salaries, wages and allowances of staff working in the Department.

Information from Note 5 to Appropriation Account		**Number of recipients**	**Recipients of €10,000 or more**	**Max. individual payment**
	€,000			**€**
Higher, special or additional duties	284	46	13	22,022
Other Allowances (Child, machine etc.)	5	9	0	2,166
Overtime	182	52	5	17,611
Total extra remuneration	471			

Overall, four individuals received extra remuneration in more than one category across all allowances.

Extra Remuneration: Higher, Special or Additional Duties

Category	Amount paid in year	Number of recipients
	€000	
Allowance for Private Secretary to Minister, Minister of State and Secretary General	149	12
Higher Duties	92	10
Additional duties other	43	25
Total	**284**	**57**

Subhead: A2 Travel and Subsistence

	€,000
Estimate Provision	**275**
Outturn	112
Less than provided	**163**

The analysis of expenditure is as follows:

Analysis of expenditure	€,000
Home Travel	99
EU Travel	8
Non-EU Travel	5
Total	**112**

The purpose of a meeting or conference attended abroad determines whether expenditure is classified as EU or Non-EU. Foreign travel for the purposes of a meeting not related to the work of any of the institutions of the European Union is classified as Non-EU regardless of where the meeting is taking place.

Reason for variance per Appropriation Account:

"The underspend of €163,000 on expenditure on travel and subsistence was due to lower travel requirements as a result of the Covid-19 pandemic."

Subhead: A3 Training and Development, and Incidental Expenses

	€,000
Estimate Provision	**3,304**
Outturn	3,127
Less than provided	**177**

Analysis of expenditure	€,000
Press Office: Cuttings, Photos, Transcripts, etc.	1,565
Contract Cleaning	415
Training Courses	299
Courier Services	126
Refund of Fees for Courses	119
PeoplePoint Service Charge	115
Miscellaneous	107
In-House Catering	106
Translations	96
Publications	59
Rent and Furniture	52
Annual Memberships	49
Seminars & Conference	10
Recruitment and Other Costs	9
Total	**3,127**

Subhead: A4 Postal and Telecommunications Services

	€,000
Estimate Provision	180
Outturn	143
Less than provided	**37**

The analysis of expenditure is as follows:

Analysis of expenditure	€,000
Telephone Charges	97
Postal Charges	44
Telephone Maintenance/Equipment	2
Total	143

Subhead: A5 Office Equipment and External IT Services

	€,000
Estimate Provision	2,541
Outturn	2,706
More than provided	**(165)**

The analysis of expenditure is as follows:

Analysis of expenditure	€,000
ICT	2,518
Printing and Stationery Supplies	175
Photocopying & other office machinery	13
Total	2,706

Subhead: A6 Office Premises Expenses

	€,000
Estimate Provision	**972**
Outturn	654
Less than provided	**318**

Reason for variance per Appropriation Account:

"The underspend of €318,000 on expenditure on office premises expenses was due to lower than anticipated accommodation costs as a result of remote working arrangements for most of 2021. "

The analysis of expenditure is as follows:

Analysis of Expenditure	**€,000**
Electricity	234
Corporate Accommodation	204
Maintenance	125
Gas	35
Records Management Costs	34
Furniture & Fittings	22
Total	**654**

Subhead: A7 Consultancy Services and Value for Money and Policy Reviews

	€,000
Estimate Provision	**2,000**
Outturn	371
Less than provided	**1,629**

Reason for variance per Appropriation Account:

"The underspend of €1.629 million on expenditure on consultancy services was due to the delay in approving projects for funding because of the reallocation of resources due to COVID 19."

The analysis of expenditure is as follows:

Payee	Amount	Description
	€,000	
Mazars Consulting	115	Risk Management Services; Actuarial Services for the Private Health Insurance unit
Crowe Ireland/Howarth	93	Patient Advocacy Service (PAS); Open Disclosure Policy for National Patient Safety Office (CMO)
Grant Thornton	68	Data Protection Implementation Plan (DOH)
Trinity College	51	Evaluation of report on Palliative Care
Eithne Fitzgerald	42	Disability Policy Analysis
Other consultancies of less than 15k	2	1 consultancy
Total	**371**	

Subhead: B1 Grants to Research Bodies and other research grants

	€,000
Estimate Provision	**46,450**
Outturn	40,952
Less than provided	**5,498**

Reason for variance per Appropriation Account:

"The underspend of €5.498 million was mainly a result of the impact of Covid-19 on the services/programmes organised by agencies such as the National Cancer Registry, National Research Ethics Committee, Mother and Baby Homes and TILDA."

Subhead: B2 Healthy Ireland Fund

	€,000
Estimate Provision	**22,450**
Outturn	10,401
Less than provided	**12,049**

Reason for variance per Appropriation Account:

"There is an underspend of €12.049 million due to €7.7 million for healthy communities and lactation funding being mainstreamed in the HSE. As a result, €7.7 million is to vired to J.1. The remaining variance is due to timing delays caused by Covid-19."

Analysis of expenditure	€,000
Payments to POBAL	3,198
Sport Ireland	1,650
PHD Media (Ireland) Ltd	1,194
Ipsos MRBI	560
Cawley NEA /TBWA	513
Dublin City Council	420
Higher Education Authority	375
RTE Commercial Enterprises	283
South Dublin City Council	210
Donegal County Council	210
Food Safety Authority of Ireland	147
SafeFood	122
Cavan County Council	105
Cork County Council	105
Kildare County Council -DSU	105
Limerick County Council	105
Longford County Council	105
Mayo County Council	105
Tipperary County Council	105
Waterford County Council	105
Westmeath County Council-DGS	105
Wexford County Council	105
Wicklow County Council	105
Health Promotion Research Centre	66
Zinc Design Consultants	59
Alpha Healthcare	29
Agri Aware	28
Amarach Research	27
MCCP	25
Made Personal Ltd	20
Volunteer Ireland	12
Quest Merchandise	11
Men's Development Network	11
Keith Arkins Media	11
MCO Projects Ltd	10
Irish Nutrition and Dietetic institute	7
National Irish Safety Association	5
Bennis Design	5
CIPD Ireland	5
Ulster University	4

Analysis of expenditure	€,000
Digital Training Institute	4
Poppulo	3
Word Perfect translation	3
World Health Organisation Europe	3
Agorapulse	3
Sundry Suppliers (15) expenditure less that 2k	13
Total	**10,401**

Subhead: B3 Drugs Initiative

	€,000
Estimate Provision	16,928
Outturn	5,395
Less than provided	**11,533**

Reason for variance per Appropriation Account:

"The underspend of €11.533 million was due to a number of planned research initiatives being unable to proceed due to Covid-19 restrictions. €9.262 million was included in the estimate for HSE initiatives for addiction, social inclusion, and Covid-19 of which €8.3 million will be vired to J.1 and J.2."

The analysis of expenditure is as follows:

Analysis of expenditure	€,000
Local Drugs Taskforce Funding	3,876
Regional Drugs Taskforce Funding	816
Drugs Strategy Miscellaneous	363
Emerging Drugs Needs Funding	338
Incidental Expenses	1
Total	5,394

Subhead: C Expenses in connection with the World Health Organisation and other international bodies

	€,000
Estimate Provision	2,700
Outturn	3,192
More than provided	**492**

Reason for variance per Appropriation Account:

"The overspend of €492,000 was mainly due to the 2020 membership not being paid until February 2021."

Subhead: D Statutory and Non-Statutory Inquiries and Miscellaneous Legal Fees and Settlements

	€,000
Estimate Provision	10,465
Outturn	11,155
More than provided	**690**

Reason for variance per Appropriation Account:

"The overspend of €690,000 was mainly due to the timing of court hearings as a result of Covid-19."

The analysis of expenditure is as follows:

	Subhead D - Expenditure	**Compensation**	**Costs Awarded**	**Dept. Legal Costs**	**Other Costs**	**No. of Cases**
	€000	**€000**	**€000**	**€000**	**€000**	
Legal settlements and legal costs (MDU)	**8,816**	7,315	462	999	40	13
Farrelly Commission	**964**				964	
Cervical Check	**495**				495	

	Subhead D - Expenditure	Compensation	Costs Awarded	Dept. Legal Costs	Other Costs	No. of Cases
Covid-19	**302**			115	187	5
Miscellaneous	**284**			284		
National HR	**140**			140		12
Thalidomide)	**110**			110		29
Disability Services	**37**	12	25			1
FOI	**7**			7		
Total	**11,155**	**7,327**	**487**	**1,655**	**1,686**	**60**

Subhead: E1 Developmental, Consultative, Supervisory, Regulatory and Advisory bodies

	€,000
Estimate Provision *Original Estimate 80,481* *Supplementary 14,320*	98,744
Outturn	81,505
Less than provided	**17,239**

Reason for variance per Appropriation Account:

"The Covid-19 surge at the beginning of 2021 impacted the services/programmes run by many agencies leading to funding requirements being delayed."

Subhead E1 2021 expenditure savings

The department advances funds to health agencies up to an approved level of expenditure or actual expenditure whichever is the lesser amount.

The following agencies actual expenditure was lower than originally allocated as follows:

Pre-Hospital Emergency Care Council - €0.299m less than allocation
Mental Health Commission - €0.362m less than allocation

Other miscellaneous significant items of underspend under this Subhead were:

Statutory Scheme - Supports for Thalidomide survivors - €3m

No expenditure versus allocation due to the delay in the introduction of required legislation.

Women's Health Taskforce initiatives - €2m

Underspend due to unavoidable administrative delays resulting from the necessity to implement new approval and disbursement procedures.

Infrastructure was not yet in place within HSE for the sourcing and delivering of projects appropriate to the Fund (i.e., Women's Health Programme Delivery Team within the National Women and Infants Health Programme).
COVID-19 and the HSE cyber-attack also presented challenges to the delivery of Women's Health Fund objectives.

Patient Safety Office initiatives - €1.5m

This underspend relates primarily to the contract with the National Advocacy Service, for the Patient Advocacy Service, mainly due to timing of payments

National Screening Advisory Committee - €1.2m

A maximum funding allocation of €1.5m was allocated in Subhead E1 for the National Screening Advisory Service. Underspend primarily due to expansion plans not taking place and due to COVID 19, the Committee meetings were held virtually which meant no T&S costs and no venue costs incurred.

Nursing and Midwifery Board of Ireland - €0.7m

A maximum funding allocation of €1.2m was allocated in Subhead E1 for the NMBI, provided under the Landsdowne Road Agreement for Developmental Projects linked to the full implementation of the Nurses and Midwives Act, 2011.

The analysis of expenditure is as follows:

Analysis of Expenditure	**€,000**
Health Information & Quality Authority	22,152
Food Safety Authority of Ireland	19,713
Mental Health Commission	15,070
Other Bodies	9,369
Health Products Regulatory Authority	5,200
Health and Social Care Professionals (CORU)	4,470
Pre-Hospital Emergency Care Council	2,366
Institute of Public Health in Ireland	1,389
Pharmaceutical Society of Ireland	600
Irish Blood Transfusion Services	526
Expert Body on Fluorides & Health	299
Intl Society for Quality and Health Care	210
National Clinical Effectiveness Committee	93
Nursing & Midwifery Board of Ireland (NMBI)	35
Office of the Disability Appeals Officer	13
Total	**81,505**

Subhead: E2 Food Safety Promotion Board

	€,000
Estimate Provision	5,691
Outturn	5,343
Less than provided	**348**

Reason for variance

The shortfall in expenditure of €348,000 relative to the estimate provision was because funding is subject to appropriate matched funding being provided by the Department of Health Northern Ireland (DOHNI). It was not possible for DOHNI to confirm the last part of this matched funding before the end of the year, so the remaining funding was held back.

Subhead: E3 National Treatment Purchase Fund

	€,000
Estimate Provision	100,022
Outturn	100,000
Less than provided	**22**

Subhead: E4 Ireland/Northern Ireland INTERREG Programme

	€,000
Estimate Provision	5,300
Outturn	1,686
Less than provided	**3,614**

Reason for variance per Appropriation Account:

"Payments under this subhead are requested by the Special EU Programmes Body based on actual payments made to projects under this scheme. The expenditure was €3.614 million lower than estimated due to the timing of project funding requests."

The Department is a joint Implementing Authority with the Department of Health, Northern Ireland in relation to Thematic area 4 (Health and Well-being) of the EU INTERREG VA Programme, which is concerned with cross border co-operation.

Subhead: E5 Covid-19 actions

	€,000
Estimate Provision	45,000
Outturn	56,061
More than provided	**11,061**

Reason for variance per Appropriation Account:

"The overspend was due to higher than expected costs of operation for the mandatory hotel quarantine programme. Payments are recorded gross of €35.044 million and the associated receipts of €11.435 million from participants has been recorded under miscellaneous receipts in appropriations-in-aid."

Subhead: F1 Payments in respect of disablement caused by Thalidomide

	€,000
Estimate Provision	495
Outturn	402
Less than provided	**93**

Reason for variance:

"The underspend was due to lower than anticipated expenditure for items other than monthly allowances."

This subhead covers the payment of monthly allowances to adults who suffered from severe congenital deformities as a result of their mothers taking the drug Thalidomide during the early stages of pregnancy.

Subhead: F3 Payments to a Special Account established under Section 10 of the Hepatitis C Compensation Tribunal Act 1997 and 2002

	€,000
Estimate Provision	18,900
Outturn	10,923
Less than provided	**7,977**

Reason for variance per Appropriation Account:

"The shortfall in expenditure of €7.977 million relative to the estimate provision was due to the number and value of awards being lower than anticipated."

This subhead covers the cost of payments in relation to the compensation of women who have been diagnosed positive for Hepatitis C antibodies and/or virus resulting from the use of human immunoglobulin Anti-D and to provide compensation for children and partners of such women, and to provide compensation to individuals who contracted Hepatitis C from a blood transfusion or blood product. The subhead also covers the cost of administering this scheme of compensation.

The total paid to end 2021 in respect of the costs of the Hepatitis C & HIV Compensation Tribunal, excluding the Reparation Fund, is set out below:

	Paid in 2021	**Cumulative paid to end 2021**
	€m	**€m**
Pay	0.154	4.272
Non-Pay	0.072	6.799
Members & Chairman's fees	0.274	13.664
Tribunal Awards	9.103	853.705
Legal costs of awards	1.320	187.423
Total Special Account	10.923	1,065.863

Subhead: F4 Payments to a Reparation Fund established under Section 11 of the Hepatitis C Compensation Tribunal Act 1997 and 2002

	€,000
Estimate Provision	2,100
Outturn	2,434
More than provided	**(334)**

Reason for variance per Appropriation Account:

"***Section 11 of the Act provides for the payment of amounts in lieu to claimants who had accepted an award from the Tribunal or an offer of settlement. In 2020 there were delays in Tribunal sittings due to COVID-19 and the number and value of awards by the tribunal was lower than budgeted in that year. As a result, payments from the reparation fund were €334,000 higher than budgeted in 2021 as payments caught up."***

This subhead covers the payments made from the Reparation Fund established under the Hepatitis C Compensation Tribunal Acts, 1997 and 2002. Any claimant who has accepted an award from the Compensation Tribunal can apply for an additional amount from the Reparation Fund.

The amounts paid to end 2021 in respect of the costs of the Reparation Fund for the Hepatitis C & HIV Compensation Tribunal are set out below:

	Paid in 2021	Cumulative Paid to end 2021
	€m	**€m**
Reparation Fund Payments	2.434	168.300

Subhead: G Dissemination of Information, conferences and publications in respect of health and health services

	€,000
Estimate Provision	1,150
Outturn	1,395
More than provided	**(245)**

This subhead covers the cost of the dissemination of health information and general information issued by the Department in relation to the health services including certain health promotion related costs.

Reason for variance per Appropriation Account:

"The overspend of €245,000 was due to higher than planned Covid-19 expenditure."

The analysis of expenditure is as follows:

Payee	Amount	Description
	€,000	
PHD Media	712	Covid-19 public information media campaign
Amarach Research	315	Covid-19 - Surveys
Zinc Design Consultants	111	Covid-19 Design Services
Fáilte Ireland	44	Covid-10 vaccine campaign advertising
The Performance Partnership	43	Patient Safety Project
Studio Unthink Ltd	35	Covid-19 media campaign design and research
Tobacco Free Research	26	Research Services
Coyne Research Associates	23	Organ Donation Research
Advertising Standards Authority	21	Alcohol Advertising – Research and monitoring
Iris Oifigiuil	19	Publication of Statutory Instruments
Sundry Suppliers (14) expenditure less than 10k	46	Services for dissemination of health-related information
Total	**1,395**	

Subhead: H Sláintecare

	€,000
Estimate Provision	22,600
Outturn	8,390
Less than provided	**14,210**

Analysis of expenditure	**€,000**
Integration Fund	7,159
Sláintecare Programme Office	1,231
	8,390

Reason for variance per Appropriation Account:

"Underspend in Sláintecare was driven by lower than anticipated payments on consultancy and delays in Round 1 due to Covid-19 and the timing of Round 2 of Sláintecare, following changes within the Sláintecare programme office in the latter half of 2021. Round 2 will now commence in 2022."

HSE Subheads: I, J1, J2, K1-K5, L1-L3, M1-M4

Subhead: I Net Pension Costs

	€,000
Estimate Provision	590,610
Outturn	583,250
Less than provided	**7,360**

Subhead I covers HSE Pensions costs, including retirement benefits and lump sum payments. HSE Pensions expenditure was broadly on profile in 2021, with a small underspend of €7.4 million (1.2%) against the Estimate Provision. Savings in this subhead were vired to cover deficits in other subheads at the end of 2021.

Subhead: J1 HSE (including Services Development)

	€,000
Estimate Provision	13,217,386
Outturn	12,477,781
Less than provided	**739,605**

Subhead J.1 covers HSE Core Operations (including New Service Developments) for the main HSE Service Areas, including Acute Hospitals, Primary Care, Social Inclusion, Palliative Care, Mental Health, Older Persons, Community Services as well as National and Support Services. The HSE's reported expenditure data to end-December 2021 shows an underspend on the Service Areas under subhead J.1 of €538 million, as shown in the table below.

HSE Net Expenditure by Division December 2021 YTD	Subhead	Budget 2021	Expenditure 2021	Variance 2021
Description		**€m**	**€m**	**€m**
Acute Hospital Care	J.1	6,293	6,295	2
National Ambulance Service	J.1	191	192	1
Total Acute Operations		**6,485**	**6,487**	**2**
Primary Care	J.1	1,137	964	(173)
Social Inclusion	J.1	181	174	(7)
Palliative Care	J.1	111	107	(4)
Mental Health	J.1	1,099	1,074	(25)
Older Persons Services	J.1	1,220	1,070	(151)
Nursing Home Support Scheme	J.1	1,045	966	(79)
Disability Services	J.1	2,217	2,215	(3)
Other Community Services	J.1	54	46	(8)
Total Community Operations		**7,064**	**6,615**	**(449)**
National Services	J.1	362	351	(11)
Support Services	J.1	485	391	(94)
Treatment Abroad & EHIC	J.1	39	49	10
Total Other Operations & Demand Led		**4,571**	**4,479**	**(92)**
Total Subhead J1 2021		**18,119**	**17,581**	**(538)**

The HSE's reported underspend of €538 million primarily arises from underspends against the €1,163m funding allocated to New Service Developments in 2021, with difficulties experienced in meeting the ambitious recruitment targets for the year, both due to COVID-19 and an international shortage of healthcare workers. These recruitment underspends particularly affected community settings, as reflected in the table above.

The remaining underspend of €202 million arises from movements in the HSE's working capital in 2021, primarily the reduction in the HSE's strong opening cash reserves during the year, as well as other working capital movements in creditors, debtors and stock. The overall

on subhead J.1 of €740 million was vired to subhead J.2 at year end to offset overspends in COVID-19 programmes expenditure.

Subhead: J2 HSE – COVID 19 Actions

	€,000
Estimate Provision	1,666,000
Outturn	2,193,152
More than provided	**527,152**

Subhead J.2 covers the HSE's COVID public health responses including Personal Protective Equipment, Testing Tracing and Public Health Surveillance, the COVID Vaccination Programme and COVID responses within Acute & Community settings, as well as Access to Care measures and any post-Budget COVID measures that arose during the year.

COVID-19 Measures 2021	**Subhead**	**Budget Allocation 2021 €m**	**Estimated Expenditure 2021 €m**	**Variance 2021 €m**
PPE Procurement	J.2	450.0	341.1	108.9
Vaccinations	J.2	200.0	530.2	(330.2)
Test & Trace	J.2	445.0	706.2	(261.2)
Other measures incl. Access to Care, Acute & Community Responses, Hotel Quarantine, Safety Net agreements, Extended Winter Flu vaccine, Student Nurses Pandemic Grant.	J.2	571.0	615.6	(44.6)
Total COVID-19 Current Expenditure		**1,666**	**2,193**	**(527)**

Higher levels of COVID-related activity than projected in 2021 drive higher levels of expenditure, as shown in the table above. In particular, the budget of €200 million for the vaccination programme was an initial allocation to allow for purchase of the vaccines, and did not factor in delivery of the vaccination programme, planning for which was concluded post-Estimates 2021. The higher than projected incidence of infection throughout the year also drove a surge in Test & Trace activity, with a resulting higher level of expenditure than initially anticipated.

Subhead: K1 Health Agencies and other similar organisations (part funded by the National Lottery)

	€,000
Estimate Provision	4,513
Outturn	376
Less than provided	**4,137**

The shortfall in expenditure of €4.137 million relative to the estimate provision was due to the grants not being paid until the conditions of the grant are fulfilled. Delays occur due to outstanding information requirements.

Subhead: K2 Payments to Special Account – Health (Repayment) Act 2006

	€,000
Estimate Provision	1,700
Outturn	0
Less than provided	**1,700**

The Health (Repayment Scheme) Act, 2006 (the Act) was enacted in June 2006 to provide a legal basis for the repayment of long-stay charges which had been imposed on persons with full eligibility since 1976 i.e. those persons who had a medical card or who were entitled to a medical card. The deadline for submitting claims under the Health Repayment Scheme was 31st December 2007. Therefore, no new applications can be accepted by the Health Service Executive.

There are a few complex cases that are still being processed. The timing of funding requests in relation to these can be unpredictable, particularly if there are queries to be resolved in the verification process. As a result, timing of payments can be subject to change.

The shortfall in expenditure of €1.7 million relative to the estimate provision was due to the nature of payments under this subhead being such that the timing of funding requests may be unpredictable, particularly if there are queries to be resolved in the verification process, and therefore the timing of payments can be subject to change. Because of the statutory nature of the Scheme, the liabilities arising under the Scheme must be met by the State and therefore it is important to ensure that funding for the Scheme remains in the relevant subhead to meet final liabilities.

Subhead: K3 Payment to Special Account established under Section 4 of the Hepatitis C Compensation Tribunal (Amendment) Act 2006 – Insurance Scheme

	€,000
Estimate Provision	1,000
Outturn	252
Less than provided	**748**

The underspend in expenditure of €748,000 relative to the estimate provision was because this is a quasi-judicial process based on claims lodged and the nature of claims and payments vary significantly from year to year.

Subhead: K4 Payment to State Claims Agency

	€,000
Estimate Provision	410,000
Outturn	465,136
Less than provided	**55,136**

The State Claims Agency is responsible for managing claims under the Clinical Indemnity Scheme (CIS) covering all clinical negligence claims taken against healthcare enterprises, hospitals and clinical, nursing and allied healthcare practitioners covered by the scheme, as well as the General Indemnity Scheme (GIS) for personal injury and third-party property damage risks and claims relating to certain State authorities, including the HSE.

The State Claims Agency itself is responsible for minimising the costs to the State of these claims; the HSE's role is simply to reimburse the Agency for Health-related claims that it incurs. In relation to 2021 expenditure, the State Claims Agency requirement reflects expected higher costs than were budgeted for, in particular due to a small number of high value claims arising in Q4, resulting in a shortfall of €55m above the estimate provision.

Subhead: K5 Economic and Social Disadvantaged (Dormant Account Funding)

	€,000
Estimate Provision	2,700
Outturn	204
Less than provided	**2,496**

Expenditure was €2.5 million less than initially estimated because projects were deferred due to the impact of Covid-19 on resources.

Subheads:

L1 HSE Primary Care Reimbursement Services and Community demand led schemes
L2 HSE Primary Care Reimbursement Services – COVID-19 Actions
L3 HSE Long Term Residential Care Schemes

Subhead	L1	L2	L3
	€,000	€,000	€,000
Estimate Provision	3,516,000	10,000	1,044,230
Outturn	3,433,301	17,672	1,017,600
Less than (More than) provided	**82,699**	**(7,672)**	**26,630**

L1: Expenditure for PCRS was broadly on profile, coming in at 2.4% below budget allocation. Savings in this subhead were vired to cover deficits in other subheads at the end of 2021.
L2: Expenditure was €7.7 million higher than estimated due to increased funding required for GPs to provide a dedicated respiratory clinic in their practice premises for patients who have a confirmed or presumptive diagnosis of Covid-19.
L3: Expenditure for the Nursing Home Support Scheme ('Fair Deal') was broadly on profile, coming in at 2.5% below budget allocation. Savings in this subhead were vired to cover deficits in other subheads at the end of 2021.

Subhead: M1 Grants in respect of building, equipping (including ICT)

	€,000
Estimate Provision	14,527
Outturn	13,346
Less than provided	**1,181**

Reason for variance per Appropriation Account:

"The underspend of €1.181 million arose due to anticipated expenditure not being incurred in 2021 for non HSE agencies."

HSE Capital Services

Subheads: M2 Building, equipping and furnishing of health facilities

` M3 Information services and related services for health agencies

M4 Capital Covid 19 actions (including ICT)

Subhead	M2	M3	M4
	€,000	**€,000**	**€,000**
Estimate Provision	851,174	255,000	155,000
Outturn	749,855	245,500	155,000
Less than (More than) provided	**101,319**	**9,500**	**0**

M2 "The underspend of €101.319 million was due to a variety of factors including the impact of Covid-19 (impacting access to sites in live health settings), supply chain matters and timing delays in progression of projects."

Deferred surrender		
Deferred surrender comprises savings in 2021 of €104 million in capital expenditure in the following subheads that were carried over to 2022.		
		€000
Description of subhead:		
M.2	Building, equipping and furnishing of health facilities	94,500
M.3	Information services and related services for health agencies	9,500
		104,000

Subhead: N Appropriations-in-aid

	Estimated	Realised	Less / (More) than estimated
	€,000	**€,000**	**€,000**
Recovery of cost of health services provided under regulations of the European Community	245,000	270,000	(25,000)
Receipts from certain excise duties on tobacco products	167,605	167,605	0
Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	2,450	4,609	(2,159)
Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	2,450	2,283	167
Miscellaneous receipts	4,300	32,179	(27,879)
Dormant accounts	2,700	350	2,350
Receipts from pension-related deduction on public service remuneration	4,015	3,831	184
Receipts in respect of Special EU Programmes	4,250	923	3,327
Receipts in respect of European Social Fund (ESF) and European Regional Development Fund (ERDF)	0	0	0
Total	**432,770**	**481,780**	**(49,010)**

Reasons for variances per Appropriation Account:

Description	Less/(more) than estimated €000	Explanation
Recovery of cost of health services provided under regulations of the European Community	**(25,000)**	The amount recovered under the regulations of the European Community was €25 million greater than anticipated The amount received is negotiated during the year and it is uncertain what the amount to be received will be prior to negotiations being conducted during the year.
Recoupment of certain Ophthalmic Services Scheme costs from the Social Insurance Fund	**(2,159)**	The increase of €2.159 million was due to claims under the ophthalmic services scheme being difficult to predict. There is a time lag in the availability of information from the Department of Employment Affairs and Social Protection on the level of claims arising.
Recoupment of certain Dental Treatment Services Scheme costs from the Social Insurance Fund	**167**	The decrease of €167,000 was due to claims under the dental services scheme being difficult to predict. There is a time lag in the availability of information from the Department of Employment Affairs and Social Protection on the level of claims arising.
Miscellaneous receipts	**(27,879)**	The increase of €27.879 million mainly due to receipts from mandatory hotel quarantine and a receipt from the Health Emergency Fund in December 2021. Miscellaneous receipts also consisted of transfers of unused funds from the EU Funding suspense account, receipts for licence fees under the Misuse of Drugs Act and freedom of information fees.
Dormant Accounts	**2,350**	The receipts from the Dormant Accounts Fund were €2.35 million lower than estimated due to uncertainty over timing of expenditure in respect of projects approved for funding under the dormant accounts action plans 2016, 2017 and 2018.
Receipts from pension-related deduction on public service remuneration	**184**	The amount received from additional superannuation contributions was €184,000 less than estimated due to a decrease in contributions received from agencies under the aegis of the Department.
Receipts in respect of EU Special Programmes	**3,327**	The receipts received in respect of Special EU Programmes were €3.327 million lower than expected due to the nature of the INTERREG programme meaning that the timing of these receipts is unpredictable.

Analysis of Pension Deductions	**€,000**
Pension Related Deductions: DOHC Staff	1,388
Pension Related Deductions: Health Agencies	2,443
Sub-Total: Pension Related Deduction	**3,831**

Cyberattack Update

The Department of Health has continued implementing enhanced security infrastructure and significant extra resources have been made available. Together with infrastructure changes, the Department has implemented a 24/7/365 managed detection and response contract to provide for improved notification and response services. A cyber incident response plan has been developed which is compatible with Public Sector Cyber Security Baseline Standards requirements.

Cyber security related tips are issued to all staff on a weekly basis and a mandatory Cyber Security Awareness Programme has also been rolled out. Modules in this programme provide relevant training with a new module added each month.

Additional Information Required in Relation to Value for Money in the Context of Dáil Standing Order 218 (2)

1. Do you have a systematic/cyclical approach to choosing areas/programmes/expenditure to review? If so, please describe the approach in detail.

Every three years, the Minister for Public Expenditure & Reform will ask each Department to make suggestions of possible topics for a Value for Money and Policy Review (VFMPR). Each Management Board member is asked to propose one area under their remit for inclusion in the VFMPR cycle once it meets the selection criteria set out in the public spending code. After reaching agreement on topics to review the Minister for Public Expenditure and Reform submits the list to Government for approval.

2. How and why you choose particular areas/programmes/expenditure to review?

The areas for review are chosen based on the application of the selection criteria set out in the public spending code:

- Materiality of spend;
- Is there a substantial level of risk;
- Is there a clear need to demonstrate accountability;
- Will the evaluation findings be available in time to inform a key decision in the
- expenditure/policy area;
- Will the evaluation address an important evidence gap;
- Can the evaluation make a significant contribution to the Department's High
- Level Goals;
- Is the necessary data available and have baselines been established.

3. Do you have a schedule of planned reviews? If so, covering what period, and at what level is it signed off?

There are no VFMPRs currently planned.

4. The governance arrangements pertaining to the implementation of the recommendations arising from the reviews.

While there may be multiple actions across a range of areas arising from a VFM, a lead Unit is assigned to co-ordinate, monitor and report on the progress of the actions.

5. For each of the reviews for the accounting period under examination by the Committee and the preceding two years:

• details of implementation to date,

• timelines for implementation.

The following is an update on the progress of each recommendation in the Value for Money Review of Nursing Home Care Costs, including timelines for implementation:

1. ***An inter-agency project team, with the range of expertise required, should be established to drive the delivery of the recommendations.***

Update

As noted in the published report, this recommendation has been partially accepted as many of the recommendations refer to work that is currently in train, with established governance or oversight structures. The recommendations also overlap to a degree with the implementation of the NTPF Review of the Pricing System for Long-Term Residential Care and it is essential that oversight structures are not duplicated. Certain other recommendations are discrete workstreams that will be directed from within the appropriate section of the Department.

The Department has set out a plan for how each of the recommendations will be addressed and by which organisation. The Department continually reviews progress against the delivery of the recommendations; the initial results of that review are set out in this document.

2. ***The NTPF and Department of Health should explore a potential change to the Deed of Agreement between the NTPF and private operators to allow for the sharing of the information collected by the NTPF with the Department. It is likely that a change in the legislation would be required to facilitate this. A clearly defined process would need to be agreed to provide reassurance to the sector with regards to the purpose, use and availability of the data transferred, with safeguards in place to protect any commercially sensitive information.***

Update

The Department has engaged with the NTPF to explore the options to changing the Deed of Agreement to allow for additional information sharing, and is now considering the additional types of data that might be required by the Department, the necessary requirements to data sharing arrangements to facilitate this exchange, and the risks and issues presented by any such change.

In that regard, since this recommendation was made, the Department has engaged with the NTPF on a range of topics and it has provided data, analysis and reporting on sets and sub-sets of nursing homes, which have been sufficient to inform policy-making. As such, there may be no requirement to share commercially sensitive data at a level that would allow for the identification of individual nursing homes or nursing home groups, mitigating any risks for providers in that regard.

In parallel, work is ongoing on the development of HIQA regulations that are expected to capture relevant operational data in relation to individual nursing homes. This would include a statutory basis for any required information sharing with the Department.

3. ***The interRAI Single Assessment Tool should be rolled out nationally, along with a set of national operational policy and guidelines, to determine the care needs of the applicants to the NHSS. Within a defined period of time (determined by the Department) care needs assessments used to determine funding under the NHSS should be undertaken using the interRAI Single Assessment Tool.***

Update

Four sites (in CHO's 2, 4, 7 & 8) participated in a pilot to test a new model of Home Support delivery. The data collection phase of the Home Support Pilot concluded in August 2022. The Centre for Effective Services are completing the evaluation and a report is expected Q1 2023.

A total of 807 clients were included in the pilot and 592 InterRAI were completed. Analysis of data will profile service users, their care needs and home support requirements. The CES evaluation team are working with the National InterRAI office to develop a proposal for care banding. Qualitative data from document review, individual interviews and focus group discussions with service users, family, nurses and interRAI assessors will provide valuable insight into operational aspects of the service which will inform a reformed model of service delivery and development of the home support statutory support scheme.

The HSE have commenced recruitment of 128 interRAI facilitator posts which will support national rollout of the interRAI as the single assessment tool for older person services.

4. ***A programme of work should be established to examine and develop, as appropriate, a model for the allocation of resources through the use of Resource Utilisation Groups to align resources/payments to care needs. This should include an examination of international evidence and best practice and should include a comprehensive capture of data using the interRAI assessment tool for a minimum period to determine a baseline profile of care needs in residential care settings. Work on such resource allocation models should fully align with development work being undertaken with regard to the development of the statutory home support scheme.***

Update

Work is underway in the Department which will assist with the future design of a bespoke case mix classification/resource allocation model for Ireland's statutory home support scheme and residential care service. As part of this work, the Department commissioned an evidence review from the Health Research Board (HRB) entitled 'Linking care bands to resource allocation for home support and long-term residential care' which was published in July 2021.

The evaluation of the testing of a reformed model of service delivery for home support will be integral to the evidence base for the development of a system of care banding. The respective home support and residential care policy teams are engaging within the Department to ensure that developmental work in both sectors is aligned.

5. ***The Safe Staffing and Skill Mix Framework for Residential Care should be agreed as a priority.***

Update

This is a complex piece of research that will continue throughout 2023. Its objective is to have successfully tested an evidence-based staffing model based on resident need in a number of pilot sites (including private, public and voluntary nursing homes), with a view to evaluating the impact on resident, staff and organisational measures. A National Taskforce, chaired by the Chief Nursing Officer oversees this work and the research is led by Professor Jonathan Drennan, University College Dublin. Significant progress has been made throughout 2022.

Following an extensive review of the literature and consultation with experts in Long Term residential Care Settings (LTRCs), academic settings and clinical practice, the Nursing Hours per Resident Day (NHpRD) model, using the Resource Utilization Group (RUG)-IV tool was recommended as the approach to test in the LTRC pilot sites in Ireland. NHpRD has been selected given its comprehensiveness; in addition, the wide-spread use of the RUG-IV internationally and its incorporation into the InterRAI suite of measures, identifies it as an instrument that has utility in LTRC settings in Ireland.

Approximately 450 residents in Ireland are now being assessed on an ongoing basis using the RUG-IV tool to determine the nursing care hour requirements. The first baseline research report was recently published. A key milestone of the pilot whereby any necessary staffing adjustments in line with the Framework requirements will be made will commence early in 2023. Following this, a further evaluation report by the research team is planned for the end of Quarter 2 2023.

6. ***An extensive review and audit process be established as a matter of urgency to examine the operation, costs, staffing, rostering, use of agency staff and cost assignment in public nursing units prioritising the most expensive nursing homes. The process should be supported by external expertise as required. Cost improvement measures should be a key outcome along with recommendations for future use and/or alternative service models where costs improvement measures cannot be achieved.***

Update

Scoping has begun for an independent audit of the public cost of care, as envisaged by this report, to ensure that cost overruns are minimised or eliminated where possible, maximising the value of our investment in public residential care. Terms of reference for an audit are being developed, and it is anticipated that the work will begin in 2023.

The work was paused to allow for the HSE to complete a National Bed Register of Community Nursing Units, which has now been completed The purpose of this exercise was to agree on particular bed data in order to provide accurate information that will identify challenges to service delivery and inform future planning while also supporting the principle of 'Value for Money' .

Building on this work, a National Working Group is in place for the purpose of determining standardised definitions of bed categories i.e. Rehabilitation/Respite/Transitional Care etc. This is important as it will form the foundation of what will influence allocated resources linked to service user acuity going forward. This work is ongoing and forms part of the wider work of the National Community Based Public Residential Care Group as well as the continuous engagement with CHO areas in relation to the drivers of the cost of care specific to each unit and follow up on identified actions relating to specific units.

7. ***The published cost of care for public nursing homes should be explicit whereby the cost of care referred to is the maximum cost of care that can be charged to the NHSS. For the purposes of transparency, a list showing the actual eligible costs incurred by each nursing home, highlighting any variances against the maximum cost of care, should be published shortly after the end of each financial year.***

Update

In March 2022 the HSE published its annual updated cost of providing care in its public residential care centres for older people.

The report gives detailed cost of care in public nursing homes. It shows that the cost of care has increased to from €1,674 per week in 2021 to €1,698 per bed per week in 2022.

The 1.4% increase can be attributed to pay increases provided under the Lansdowne Road Agreement (funded separately to Nursing Homes Support Scheme (NHSS) funds allocated within the HSE Service Plan 2022). These costs do not relate to the amount a person will pay towards their care under the NHSS (Fair Deal).

The HSE acknowledges there are variations in the cost of care across public centres as well as across private nursing homes, with public nursing homes generally having a higher cost of care. Factors that contribute to the cost differential are set out in detail within this Value for Money report. The HSE has also acknowledged that there are variances between the published cost of care for the year, which is based on historical data, and the full scope of eligible costs actually incurred. This is set out in the HSE's annual financial statements each year, which have been published for 2021.

It is understood that the HSE will publish the required, detailed additional information, as committed to in this recommendation, in respect of the calendar year 2022 onwards.

8. The Department of Health and the HSE should examine if a cohort of existing long-term care residents supported under the NHSS could have remained at home for longer had the right package of supports been available.

Update

As noted in the published report, this recommendation has been partially accepted as work was already in train to provide a set of home support packages aimed at avoidance of long-term residential care, i.e. making available the "right package of supports" envisioned in this recommendation.

This initiative commenced through the Winter Plan 2020/2021, which was framed in the context of an increasing demand for unscheduled care, the need to support service continuity and resumption of services and delivering essential healthcare in the context of a pandemic. The Plan provided for enhanced intermediate and rehabilitation bed and outreach capacity, transitional care capacity and a Home First approach through significant enhanced Home Support hours and Reablement packages of care.

A number of initiatives were put in place in order to support both the discharge of patients from an acute setting and demand from the community, depending on the assessed care needs of the individual client/patient.

One such initiative focused on Long-Term Care Avoidance – Discharges / Extensive HS Packages / Hospital Avoidance. Under this initiative, patients being discharged from an acute setting or clients in the community who would have otherwise been a candidate for Hospital Admission or Long-Term Care could be discharged / maintained at home with a maximum Home Support care package of up to 56 hours per week.

7,866 clients were allocated a Home Support Package under this initiative of which 5,703 clients commenced their service during 2021. These packages remained active at year end. In addition, 915 clients commenced the service during 2021 under this initiative but ceased before year end.

9. The recommendations of this review should be implemented having regard to the recommendations of the final report published by the COVID-19 Nursing Homes Expert Panel on 19 August 2020.

Update

The COVID-19 Nursing Homes Expert Panel Report includes 86 recommendations in total, over 15 thematic areas, with associated timelines for implementation over the short, medium and long term. The Minister for Health established an oversight structure to ensure the implementation of the important

recommendations contained in this Report. This encompassed the establishment of both an Implementation Oversight Team and a Reference Group.

The recommendations in the Expert Panel report were two-fold in nature: firstly, immediate actions required for the ongoing protection and support for nursing home residents during the pandemic and, secondly, medium- and longer-term recommendations in relation to broader system reforms to enhance and better integrate nursing home care and older persons care more broadly.

The Government is committed to the implementation of the Expert Panel recommendations. While it is accepted that this broad programme of wide-ranging and complex reform will take time to implement, the fourth progress report on the implementation of the recommendations, published in June 2022, highlights the important progress that has already taken place across a number of areas and sets out clearly the structures and processes that have been established to ensure continued implementation.

The Nursing Home Expert Panel's recommendations have provided a guiding framework not only for the pandemic response in nursing homes over the last two years but also more broadly for a wide-ranging programme of improvement and reform for older persons' care. Its recommendations are implicitly considered in the existing reform framework for the NHSS, comprising the recommendations of this review, the Pricing review, the C&AG review and the Programme for Government.

Significant progress has already been made in implementing the recommendations of the NH Expert Panel, particularly those recommendations requiring a priority focus in the response to COVID-19, and work to progress medium and longer term reform recommendations is ongoing.

Provision of over €22 million was made in Budget 2022 for the implementation and mainstreaming of a range of Expert Panel recommendations, including the establishment of permanent Community Support Teams, piloting of clinical governance oversight committees and the development of a Safe Staffing Framework for the sector.

Four Expert Panel Progress Reports have been published to date.

6. What specific effects have the implementation of the recommendations or conclusions of each review undertaken in the last seven years had in terms of the allocation of funding within the Vote(s)?

€22m was allocated in Budget 2022 to implement the recommendations of the Expert Panel Report, including funding to develop the Safe Staffing Framework.

7. In accordance with section 19 of the Comptroller and Auditor General Act 1993, any other evidence you might wish to provide as to:
"(b) the economy and efficiency of the Department in the use of its resources,
(c) the systems, procedures and practices employed by the Department for the purpose of evaluating the effectiveness of its operations".

- Monthly performance meetings both internally and with the HSE including divisional report cards (DRCs).
- Ongoing performance monitoring with specific units tasked with monitoring financial performance and key performance indicators.
- Support from the Department's IGEES unit in reviewing and developing policy and informing financial decisions.
- Ongoing financial data improvement measures to improve evaluation.

8. Any other information that you, in your capacity as Accounting Officer, might wish to add to assist the Committee in forming a view as to whether you can demonstrate VFM in the context of Standing Order 218(2).

The Department is committed to constantly reviewing its policies and practises in order to improve value for money and maximise the use of available resources.

In addition to the Value for Money and Policy Review undertaken by the Department, the following focused policy assessments and spending reviews have been carried out since 2017.

- Healthcare Capital Investment in Ireland Series: Analysis of Historical Capital Investment in Healthcare
- Healthcare Capital Investment in Ireland Series: Strategic Considerations for Future Capital Investment in Healthcare
- Health Capital Investment in Ireland Series: Dealing with Uncertainty & Risk: The Application of Reference Class Forecasting to Future Capital Investment in Healthcare
- Expanded Provision of Home Support and Total Costs of Long Term Care for Older Persons – A Scoping Review and Exploratory Analysis
- Social Care for People with Disabilities: Trends in Expenditure and Delivery of Services
- Factors Affecting Agency and Overtime Expenditure in the Irish Health Service
- Impact of Demographic Change on Health Expenditure 2022-2025
- Review of High- Tech Drug Expenditure - Spending Review 2021
- Focused Policy Assessment of Reducing Harm Supporting Recovery - Spending Review 2021
- Exchequer Funding of General Practice - Spending Review 2021
- Private Expenditure on GP Care in Ireland
- Costing Framework for the Expansion of GP Care
- Emergency Departments: Trends 2014-2017
- Health Workforce: Consultants Pay and Skills Mix 2012-2017
- An Analysis of Older People Services Spend and Activity, 2014-2017
- HSE Staff Trend Analysis, 2014-2017
- Analysis of Hospital Inputs and Outputs, 2014-2017
- Nursing and Midwifery Expenditure
- Acute Hospital Expenditure Review
- Future Sustainability of Pharmaceutical Expenditure

Template

Instructions

Please complete this template for each *ex-post* review of expenditure completed since 2015. Please include hyperlinks to the reviews where possible and otherwise provide the reviews in soft copy.

VFM Information

Title of ex-post review of expenditure	Value for Money Review of Nursing Home Care Costs	Type of review:	Value for Money
Accounting period(s) to which it relates:	Review is with reference to general trends rather than specific accounting period but encompasses expenditure for the years 2015 – 2019.	Authored by:	Undertaken under the direction of a Steering Committee comprising representatives of Department of Health, the Department of Public Expenditure and Reform, the National Treatment Purchase Fund, the Health Service Executive, and the Economic and Social Research Institute, and led by an independent chair.
Related review(s) previously undertaken:		Started:	March 2018
Quantum of expenditure covered by review:	c. €1bn/yr	Completed:	March 2021
% of total voted expenditure covered by review:	Approx 5%	Expenditure type:	Current
Programme line(s):	Nursing Home Support Scheme	Relevant subhead(s):	L.2
% of total programme expenditure:	100%	If the review is reflected in a Public Service Performance Report, please provide year and page number:	

VFM details

Objectives:

The purpose of the VFM Review was to identify, quantify and analyse the reasons for any cost differential between private/voluntary and public nursing homes and, following analysis, to make recommendations for improving the value for money obtained by the Health sector.

Findings

The Review made 9 recommendations with implications across a number of health sector bodies:

1. An inter-agency project team, with the range of expertise required, should be established to drive the delivery of the recommendations.

2. The NTPF and Department of Health should explore a potential change to the Deed of Agreement between the NTPF and private operators to allow for the sharing of the information collected by the NTPF with the Department. It is likely that a change in the legislation would be required to facilitate this. A clearly defined process would need to be agreed to provide reassurance to the sector with regards to the purpose, use and availability of the data transferred, with safeguards in place to protect any commercially sensitive information.

3. The interRAI Single Assessment Tool should be rolled out nationally, along with a set of national operational policy and guidelines, to determine the care needs of the applicants to the NHSS. Within a defined period of time (determined by the Department) care needs assessments used to determine funding under the NHSS should be undertaken using the interRAI Single Assessment Tool.

4. A programme of work should be established to examine and develop, as appropriate, a model for the allocation of resources through the use of Resource Utilisation Groups to align resources/payments to care needs. This should include an examination of international evidence and best practice and should include a comprehensive capture of data using the interRAI assessment tool for a minimum period to determine a baseline profile of care needs in residential care settings. Work on such resource allocation models should fully align with development work being undertaken with regard to the development of the statutory home support scheme.

5. The Safe Staffing and Skill Mix Framework for Residential Care should be agreed as a priority.

6. An extensive review and audit process be established as a matter of urgency to examine the operation, costs, staffing, rostering, use of agency staff and cost assignment in public nursing units prioritising the most expensive nursing homes. The process should be supported by external expertise as required. Cost improvement measures should be a key

outcome along with recommendations for future use and/or alternative service models where costs improvement measures cannot be achieved.

7. The published cost of care for public nursing homes should be explicit whereby the cost of care referred to is the maximum cost of care that can be charged to the NHSS. For the purposes of transparency, a list showing the actual eligible costs incurred by each nursing home, highlighting any variances against the maximum cost of care, should be published shortly after the end of each financial year.

8. The Department of Health and the HSE should examine if a cohort of existing long-term care residents supported under the NHSS could have remained at home for longer had the right package of supports been available.

9. The recommendations of this review should be implemented having regard to the recommendations of the final report published by the COVID-19 Nursing Homes Expert Panel on 19 August 2020.

Actions taken:

7 of these recommendations were fully accepted and 2 (recommendations 1 and 8) were partially accepted. The progress against these recommendations is being monitored by the Department:

1. **An inter-agency project team, with the range of expertise required, should be established to drive the delivery of the recommendations.**

Update

As noted in the published report, this recommendation has been partially accepted as many of the recommendations refer to work that is currently in train, with established governance or oversight structures. The recommendations also overlap to a degree with the implementation of the NTPF Review of the Pricing System for Long-Term Residential Care and it is essential that oversight structures are not duplicated. Certain other recommendations are discrete workstreams that will be directed from within the appropriate section of the Department.

The Department has set out a plan for how each of the recommendations will be addressed and by which organisation. The Department continually reviews progress against the delivery of the recommendations; the initial results of that review are set out in this document.

2. **The NTPF and Department of Health should explore a potential change to the Deed of Agreement between the NTPF and private operators to allow**

for the sharing of the information collected by the NTPF with the Department. It is likely that a change in the legislation would be required to facilitate this. A clearly defined process would need to be agreed to provide reassurance to the sector with regards to the purpose, use and availability of the data transferred, with safeguards in place to protect any commercially sensitive information.

Update

The Department has engaged with the NTPF to explore the options to changing the Deed of Agreement to allow for additional information sharing, and is now considering the additional types of data that might be required by the Department, the necessary requirements to data sharing arrangements to facilitate this exchange, and the risks and issues presented by any such change.

In that regard, since this recommendation was made, the Department has engaged with the NTPF on a range of topics and it has provided data, analysis and reporting on sets and sub-sets of nursing homes, which have been sufficient to inform policy-making. As such, there may be no requirement to share commercially sensitive data at a level that would allow for the identification of individual nursing homes or nursing home groups, mitigating any risks for providers in that regard.

In parallel, work is ongoing on the development of HIQA regulations that are expected to capture relevant operational data in relation to individual nursing homes. This would include a statutory basis for any required information sharing with the Department.

3. **The interRAI Single Assessment Tool should be rolled out nationally, along with a set of national operational policy and guidelines, to determine the care needs of the applicants to the NHSS. Within a defined period of time (determined by the Department) care needs assessments used to determine funding under the NHSS should be undertaken using the interRAI Single Assessment Tool.**

Update

Four sites (in CHO's 2, 4, 7 & 8) participated in a pilot to test a new model of Home Support delivery. The data collection phase of the Home Support Pilot concluded in August 2022. The Centre for Effective Services are completing the evaluation and a report is expected Q1 2023.

A total of 807 clients were included in the pilot and 592 InterRAI were completed. Analysis of data will profile service users, their care needs and home support requirements. The CES evaluation team are working with the National InterRAI office to develop a proposal for care banding. Qualitative data from document review, individual interviews and focus group discussions with service users, family, nurses and interRAI assessors will provide valuable insight into operational aspects of the service which will inform a reformed

model of service delivery and development of the home support statutory support scheme.

The HSE have commenced recruitment of 128 interRAI facilitator posts which will support national rollout of the interRAI as the single assessment tool for older person services.

4. **A programme of work should be established to examine and develop, as appropriate, a model for the allocation of resources through the use of Resource Utilisation Groups to align resources/payments to care needs. This should include an examination of international evidence and best practice and should include a comprehensive capture of data using the interRAI assessment tool for a minimum period to determine a baseline profile of care needs in residential care settings. Work on such resource allocation models should fully align with development work being undertaken with regard to the development of the statutory home support scheme.**

Update

Work is underway in the Department which will assist with the future design of a bespoke case mix classification/resource allocation model for Ireland's statutory home support scheme and residential care service. As part of this work, the Department commissioned an evidence review from the Health Research Board (HRB) entitled 'Linking care bands to resource allocation for home support and long-term residential care' which was published in July 2021.

The evaluation of the testing of a reformed model of service delivery for home support will be integral to the evidence base for the development of a system of care banding. The respective home support and residential care policy teams are engaging within the Department to ensure that developmental work in both sectors is aligned.

5. **The Safe Staffing and Skill Mix Framework for Residential Care should be agreed as a priority.**

Update

This is a complex piece of research that will continue throughout 2023. Its objective is to have successfully tested an evidence-based staffing model based on resident need in a number of pilot sites (including private, public and voluntary nursing homes), with a view to evaluating the impact on resident, staff and organisational measures. A National Taskforce, chaired by the Chief Nursing Officer oversees this work and the research is led by Professor Jonathan Drennan, University College Dublin. Significant progress has been made throughout 2022.

Following an extensive review of the literature and consultation with experts in Long Term residential Care Settings (LTRCs), academic settings and clinical

practice, the Nursing Hours per Resident Day (NHpRD) model, using the Resource Utilization Group (RUG)-IV tool was recommended as the approach to test in the LTRC pilot sites in Ireland. NHpRD has been selected given its comprehensiveness; in addition, the wide-spread use of the RUG-IV internationally and its incorporation into the InterRAI suite of measures, identifies it as an instrument that has utility in LTRC settings in Ireland.

Approximately 450 residents in Ireland are now being assessed on an ongoing basis using the RUG-IV tool to determine the nursing care hour requirements. The first baseline research report was recently published. A key milestone of the pilot whereby any necessary staffing adjustments in line with the Framework requirements will be made will commence early in 2023. Following this, a further evaluation report by the research team is planned for the end of Quarter 2 2023.

6. **An extensive review and audit process be established as a matter of urgency to examine the operation, costs, staffing, rostering, use of agency staff and cost assignment in public nursing units prioritising the most expensive nursing homes. The process should be supported by external expertise as required. Cost improvement measures should be a key outcome along with recommendations for future use and/or alternative service models where costs improvement measures cannot be achieved.**

   Update
   Scoping has begun for an independent audit of the public cost of care, as envisaged by this report, to ensure that cost overruns are minimised or eliminated where possible, maximising the value of our investment in public residential care. Terms of reference for an audit are being developed, and it is anticipated that the work will begin in 2023.

   The work was paused to allow for the HSE to complete a National Bed Register of Community Nursing Units, which has now been completed The purpose of this exercise was to agree on particular bed data in order to provide accurate information that will identify challenges to service delivery and inform future planning while also supporting the principle of 'Value for Money' .

   Building on this work, a National Working Group is in place for the purpose of determining standardised definitions of bed categories i.e. Rehabilitation/Respite/Transitional Care etc. This is important as it will form the foundation of what will influence allocated resources linked to service user acuity going forward. This work is ongoing and forms part of the wider work of the National Community Based Public Residential Care Group as well as the continuous engagement with CHO areas in relation to the drivers of the cost of care specific to each unit and follow up on identified actions relating to specific units.

7. **The published cost of care for public nursing homes should be explicit whereby the cost of care referred to is the maximum cost of care that can**

be charged to the NHSS. For the purposes of transparency, a list showing the actual eligible costs incurred by each nursing home, highlighting any variances against the maximum cost of care, should be published shortly after the end of each financial year.

Update

In March 2022 the HSE published its annual updated cost of providing care in its public residential care centres for older people.

The report gives detailed cost of care in public nursing homes. It shows that the cost of care has increased to from €1,674 per week in 2021 to €1,698 per bed per week in 2022.
The 1.4% increase can be attributed to pay increases provided under the Lansdowne Road Agreement (funded separately to Nursing Homes Support Scheme (NHSS) funds allocated within the HSE Service Plan 2022). These costs do not relate to the amount a person will pay towards their care under the NHSS (Fair Deal).

The HSE acknowledges there are variations in the cost of care across public centres as well as across private nursing homes, with public nursing homes generally having a higher cost of care. Factors that contribute to the cost differential are set out in detail within this Value for Money report. The HSE has also acknowledged that there are variances between the published cost of care for the year, which is based on historical data, and the full scope of eligible costs actually incurred. This is set out in the HSE's annual financial statements each year, which have been published for 2021.

It is understood that the HSE will publish the required, detailed additional information, as committed to in this recommendation, in respect of the calendar year 2022 onwards.

8. **The Department of Health and the HSE should examine if a cohort of existing long-term care residents supported under the NHSS could have remained at home for longer had the right package of supports been available.**

Update

As noted in the published report, this recommendation has been partially accepted as work was already in train to provide a set of home support packages aimed at avoidance of long-term residential care, i.e. making available the "right package of supports" envisioned in this recommendation.

This initiative commenced through the Winter Plan 2020/2021, which was framed in the context of an increasing demand for unscheduled care, the need to support service continuity and resumption of services and delivering essential healthcare in the context of a pandemic. The Plan

provided for enhanced intermediate and rehabilitation bed and outreach capacity, transitional care capacity and a Home First approach through significant enhanced Home Support hours and Reablement packages of care.

A number of initiatives were put in place in order to support both the discharge of patients from an acute setting and demand from the community, depending on the assessed care needs of the individual client/patient.

One such initiative focused on Long-Term Care Avoidance – Discharges / Extensive HS Packages / Hospital Avoidance. Under this initiative, patients being discharged from an acute setting or clients in the community who would have otherwise been a candidate for Hospital Admission or Long-Term Care could be discharged / maintained at home with a maximum Home Support care package of up to 56 hours per week.

7,866 clients were allocated a Home Support Package under this initiative of which 5,703 clients commenced their service during 2021. These packages remained active at year end. In addition, 915 clients commenced the service during 2021 under this initiative but ceased before year end.

9. **The recommendations of this review should be implemented having regard to the recommendations of the final report published by the COVID-19 Nursing Homes Expert Panel on 19 August 2020.**

Update

The COVID-19 Nursing Homes Expert Panel Report includes 86 recommendations in total, over 15 thematic areas, with associated timelines for implementation over the short, medium and long term. The Minister for Health established an oversight structure to ensure the implementation of the important recommendations contained in this Report. This encompassed the establishment of both an Implementation Oversight Team and a Reference Group.
The recommendations in the Expert Panel report were two-fold in nature: firstly, immediate actions required for the ongoing protection and support for nursing home residents during the pandemic and, secondly, medium- and longer-term recommendations in relation to broader system reforms to enhance and better integrate nursing home care and older persons care more broadly.

The Government is committed to the implementation of the Expert Panel recommendations. While it is accepted that this broad programme of wide-ranging and complex reform will take time to implement, the fourth progress report on the implementation of the recommendations, published in June 2022, highlights the important progress that has already taken place across a number of areas and sets out clearly the structures and processes that have been established to ensure continued implementation.

The Nursing Home Expert Panel's recommendations have provided a guiding framework not only for the pandemic response in nursing homes over the last two years but also more broadly for a wide-ranging programme of improvement and reform for older persons' care. Its recommendations are implicitly considered in the existing reform framework for the NHSS, comprising the recommendations of this review, the Pricing review, the C&AG review and the Programme for Government.

Significant progress has already been made in implementing the recommendations of the NH Expert Panel, particularly those recommendations requiring a priority focus in the response to COVID-19, and work to progress medium and longer term reform recommendations is ongoing.
Provision of over €22 million was made in Budget 2022 for the implementation and mainstreaming of a range of Expert Panel recommendations, including the establishment of permanent Community Support Teams, piloting of clinical governance oversight committees and the development of a Safe Staffing Framework for the sector.

Four Expert Panel Progress Reports have been published to date.

Department of Health

Briefing for the Public Accounts Committee:

Update on the Comptroller and Auditor General Special Report 110 – Nursing Homes Support Scheme (Fair Deal) and Value for Money review of Nursing Home Care Costs

February 2023

Contents

1 Introduction

This briefing document provides an update on both the implementation of the Comptroller and Auditor General's Special Report 110, Fair Deal, and further provides an update the recommendations made by the Public Accounts Committee following its examination of that Report in October 2020.

2 Comptroller & Auditor General Special Report on NHSS

The C&AG decided to undertake an examination of the Scheme in March 2017, with a view to developing a special report.

The Department demonstrated a high level of cooperation to the Office of the CA&G throughout the fieldwork period and also provided substantial amounts of information and data to support the review. The Department continued to engage with the Office of the C&AG in the period since the initial fieldwork was completed and provided significant feedback on the first draft of the report produced in June 2019. The Department worked closely at that time with the HSE in evaluating the recommendations that were aimed at the HSE.

The report was laid before the Houses of the Oireachtas on the 10th of August 2020 and was examined by the Public Accounts Committee in October of that year.

2.1 Summary C&AG Recommendations

The recommendations of the C&AG Report were in the following areas:

Chapter 2: Charges for nursing home care
2.1: The Department of Health, in conjunction with the HSE, should consider reviewing the cost components of long term residential care to ensure that all relevant costs are identified and included. Periodic reviews should be completed (say every three to five years) to ensure charges are relevant. **For DoH (in conjunction with the HSE)**
2.2: The HSE should ensure that information relating to the cost of care based charge rate for public nursing homes is published routinely, and that the information is accurate. **For HSE**
2.3: The NTPF should develop internal guidelines and procedures for its staff for the conduct of negotiations with the private or voluntary nursing homes. **For NTPF**
2.4: Given that protracted negotiations by their nature can give rise to additional costs for both parties , the NTPF should consider capturing management information on those cases that fail to reach agreement at the end of the negotiation process. In particular, this should include capturing the specific factors that gave rise to the delays in reaching an agreement. Such information could be used by the NTPF to better inform future negotiations and minimise the number of negotiations failing to reach agreement in a timely way. **For NTPF**
Chapter 3: Demand for nursing home care
3.1: It is recommended that the HSE completes a review of the cost effectiveness of the continued use of transitional care funding to support Scheme applicants. **For HSE**

3.2: It is recommended that the HSE identify and review the costs associated with providing transitional care to Scheme applicants in public nursing homes. This would assist with effective budget management of costs associated with the delivery of long term residential care. **For HSE**
Chapter 4: State support for nursing home costs
4.1: It is recommended that HSE standardise the process by which three year reviews, use of third party information, and five year look-back validations are performed. **For HSE**
4.2: It is recommended that the HSE develop a list of specified documentary evidence similar to that used in the assessments of medical cards applications, required to support a scheme application. **For HSE**
4.3: The HSE should consider exploring an arrangement with the Probate Office for the sharing of information on estate values. **For HSE**
4.4: It is recommended that the HSE follow up and review outstanding schedules of assets. **For HSE**
Chapter 5: State lending for nursing home residents
5.1: The HSE should notify Revenue and the accountable person of the amount of the loan to be recouped in a timely fashion following the relevant event. **For HSE**
5.2. Revenue should formalise instalment arrangements for repaying loans in order to monitor the repayments and ensure the loan is repaid before the 12-year deadline for recoupment. **For Revenue**

The majority of the recommendations in the report are for action by the HSE, as the operator of the Scheme. The Department is satisfied that the HSE has accepted these recommendations. One recommendation relates to the Office of the Revenue Commissioners and two to the National Treatment Purchase Fund (NTPF).

The report contains a single recommendation for the Department, which commits the Department - in conjunction with the HSE – to undertake a review of the cost components of the Scheme. This work was planned for 2022, but has been displaced by other urgent priorities. Work is planned to commence in 2023.

The Department has engaged with the NTPF and the HSE on the implementation of their recommendations and an update is provided below. The majority of the recommendations have been implemented or are at an advanced stage of implementation, with the Department continuing to monitor progress with the remaining recommendations.

2.2 Detailed C&AG Recommendations

Chapter	Recommendation	Response
Chapter 2: Charges for nursing home care	**2.1:** The Department of Health, in conjunction with the HSE, should consider reviewing the cost components of long term residential care to ensure that all relevant costs are identified and included. Periodic reviews should be completed (say every three to five years) to ensure charges are relevant. **For DoH (in conjunction with the HSE)**	**DOH: Agreed.** Officials within the Department of Health will engage with their counterparts in the HSE to explore the development of an appropriate process for reviewing the cost components. The Department will begin engagement with the HSE regarding this work in due course. **HSE: Agreed.** The HSE will support the Department in the review of the components of the cost of care as set down by legislation, and any revision of same. **Update 2023:** The Department is continuing with its work programme of improvements to the NHSS; this element is scheduled for 2023.
	2.2: The HSE should ensure that information relating to the cost of care based charge rate for public nursing homes is published routinely, and that the information is accurate. For HSE	**HSE: Agreed.** The HSE will publish the cost of care of public nursing homes annually. The 2020 cost of care rates are published. **Update**: The cost of care for 2022 has been published. The cost of care for 2023 should be published shortly

Chapter	Recommendation	Response
	2.3: The NTPF should develop internal guidelines and procedures for its staff for the conduct of negotiations with the private or voluntary nursing homes. **For NTPF**	**NTPF: Agreed.** Additional internal guidelines are currently being developed to assist the contract managers in their engagement process with nursing homes. **Update:** The Department understands that the NTPF has completed this action.
	2.4: Given that protracted negotiations by their nature can give rise to additional costs for both parties, the NTPF should consider capturing management information on those cases that fail to reach agreement at the end of the negotiation process. In particular, this should include capturing the specific factors that gave rise to the delays in reaching an agreement. Such information could be used by the NTPF to better inform future negotiations and minimise the number of negotiations failing to reach agreement in a timely way. **For NTPF**	**NTPF: Agreed.** **Update:** The Department understands that the NTPF has completed this action.

Chapter	Recommendation	Response
Chapter 3: Demand for nursing home care	**3.1:** It is recommended that the HSE completes a review of the cost effectiveness of the continued use of transitional care funding to support Scheme applicants. **For HSE**	**HSE: Agreed.** The HSE accepts that it will complete a review of transitional care for the Scheme applicants but it will be broader than just cost effectiveness alone and will also take account of impact on acute services and the broader service implications. This has been very positive in transitioning older people to residential settings with a positive impact on reducing delayed transfers of care. **Update:** The necessity for Transitional Care funding is reviewed on an ongoing basis. It is viewed as being necessary to facilitate the transfer of clients from Acute hospitals in a timely manner, supporting efforts to reduced delayed transfer of care to a minimum.
	3.2: It is recommended that the HSE identify and review the costs associated with providing transitional care to Scheme applicants in public nursing homes. This would assist with effective budget management of costs associated with the delivery of long term residential care. **For HSE**	**HSE: Agreed.** The HSE will review all the number and value of transitional cases supported in public long stay beds while they are in the process of applying and waiting for funding from the Scheme to further inform ongoing budget management. **Update:** This small cohort is kept under ongoing review.

Chapter	Recommendation	Response
Chapter 4: **State support for nursing home costs**	**4.1:** It is recommended that HSE standardise the process by which three year reviews, use of third party information, and five year look-back validations are performed. **For HSE**	**HSE: Agreed.** The HSE has updated instruction and training to staff when undertaking such reviews. A monthly national data quality monitoring review is now in place to identify potential variances. The HSE is in on-going discussion with other public bodies to establish links to relevant data where possible to assist in confirming client application details. This matter is being discussed with the Department of Health to review the possible requirement for legislation to facilitate such a systematic and ongoing data transfer. Applicants are obliged to declare the transfer of relevant assets under the Scheme. The review of Schedules of Assets returns identifies cases where such information was not provided on application forms. **Update:** Updated guidelines and training issues as above. Quality monitoring in place. Discussions have taken place with Revenue to explore use of data. However, legislative change appears necessary to enable this.

Chapter	Recommendation	Response
	4.2: It is recommended that the HSE develop a list of specified documentary evidence similar to that used in the assessments of medical cards applications, required to support a scheme application. **For HSE**	**HSE: Agreed**. Such clarification has been updated on the HSE website to assist clients in completing applications. Relevant staff have also been briefed on the list of documents suitable to support an application. This information will be included in the next update to the Scheme application form. **Update:** This information is now included within the NHSS Application Form.
	4.3: The HSE should consider exploring an arrangement with the Probate Office for the sharing of information on estate values. **For HSE**	**HSE: Agreed**. The HSE is in discussion with Probate and other possible information sources. **Update:** Exploratory discussions have taken place. As with recommendation 4.1, it appears new legislation will be necessary to allow exchange of relevant information.

Chapter	Recommendation	Response
	4.4: It is recommended that the HSE follow up and review outstanding schedules of assets. **For HSE**	**HSE: Agreed**. The on-going review of Schedules of Assets continues to generate recoupment of funds. The workload of this office will continue to be monitored to ensure that appropriate staffing is available to continue to undertake the work in a timely manner. **Update:** Recruitment of extra staff has taken place, and work is ongoing to review schedules of assets.
Chapter 5: **State lending for nursing home residents**	**5.1:** The HSE should notify Revenue and the accountable person of the amount of the loan to be recouped in a timely fashion following the relevant event. **For HSE**	**HSE: Agreed**. The HSE notifies Revenue and the accountable person of the amount of the loan to be recouped in a timely fashion. However, the HSE is only in a position to verify the redemption figure in the month following the relevant event due to payment timing issues. The HSE will discuss the wording of the current Guidelines on this issue with the Department of Health with a view to taking account of this timing issue. **Update:** Guidelines are being amended on an ongoing basis to reflect changes introduced through the Nursing Homes Support Scheme (Amendment) Act 2021 and other legislative amendments

Chapter	Recommendation	Response
	5.2. Revenue should formalise instalment arrangements for repaying loans in order to monitor the repayments and ensure the loan is repaid before the 12-year deadline for recoupment. **For Revenue**	**Revenue: Part Agreed.** Revenue's experience is that only a limited set of cases is appropriate for a formal instalment arrangement. Revenue monitors cases paying by instalments. Revenue will put in place a process to identify those cases which are coming close to the 12-year deadline to maximise the collection and recovery of amounts due before expiration of the deadline. A manual system is currently in place and the most recent review was conducted in January 2020. An update to the current database to provide for systemised analysis is under consideration. **Update:** The Department will seek an update from the Revenue Commissioners on this matter and will forward to the PAC.

3 Committee of Public Accounts Examination of C&AG Special Report 110 – Nursing Homes Support Scheme (Fair Deal)

In October 2020, the Public Accounts Committee examined this report and it published its report in January 2021, making 6 recommendations. A Minute of the Minister for Public Expenditure and Reform was circulated in March 2021, containing responses to those recommendations. An update on the progress with those recommendations is provided below.

3.1 Update on Recommendations of the Public Accounts Committee

Issue 1 – Determining the costs of nursing home care

The Health Service Executive does not have an integrated financial and procurement management system. This creates difficulties when evaluating the cost of care and auditing related expenditure. Costs incurred under the Nursing Homes Support Scheme are currently recorded within nine separate financial systems throughout the HSE. The Committee was informed that the HSE intends to have 80% of its expenditure covered by an integrated financial and procurement management system by quarter one 2024.

Recommendation 1:

The Committee is of the opinion that the lack of an integrated financial and procurement management system is a serious operational deficiency. The Committee recommends that implementation of this system is prioritised to ensure robust financial oversight can be undertaken and that the targeted timeline for delivery is adhered to. The Committee requests that the HSE provides it with annual progress updates.

Response 1:

The Department and the HSE accept this recommendation and the HSE has agreed to provide the Committee with an annual status update on the Integrated Financial Management System (IFMS) project.

The HSE notes that the timelines referred to in the existing, approved plan have been impacted by COVID-19 and that the January 2021 surge has generated unprecedented pressure on key IFMS project stakeholders who are involved in the delivery of services.

As a result, on 22 January 2021, IFMS Project governance invoked a contract suspension mechanism to achieve a no-penalty pause in the project to give effect to the minimum suspension period from 22 February until 7 April 2021. After this time, it is anticipated that the current extraordinary service pressures will have abated and participation of key service stakeholders in the system design will resume. However, given the degree of uncertainty around assumptions made in relation to the course of the disease, the timelines around suspension and resumption will be kept under continuous review.

Detailed replanning is underway to take account of the impact of the suspension period and other COVID-19 impacts on the project. This revised plan will be recommended to the HSE's internal governance committee for approval on resumption of the project in April 2021.

Update 1:

Delivery of the IFMS is an operational responsibility lying with the HSE. More detailed information can be supplied directly from the HSE if required.

Issue 2 – Value for Money review

A value for money review of the Nursing Homes Support Scheme was initiated by the Department of Health in March 2018 and was due for publication in March 2019. Publication was then delayed until quarter four 2019. However, to date, the report has still not been published. The Department cited difficulties in obtaining data from other bodies as a reason for the delay. At the date of the meetings in October 2020 no publication date could be provided.

Recommendation 2:

The Committee finds it unacceptable that the review has been significantly delayed and that a timeline for publication could not be provided. The Committee recommends that the Department of Health completes the following actions: -

- ***urgently provides the Committee with a timeline for the publication of the review,***
- ***provides the Committee with quarterly updates,***
- ***provides the Committee with a copy of the review upon completion, and***
- ***publishes the review without delay.***

Response 2:

The Department accepts this recommendation.

The Value for Money Review on Nursing Home Care Costs was initially delayed due to difficulties in obtaining private sector data. The Review was further delayed due to the Covid-19 pandemic as the Department focused resources in responding to the crisis.

Work on the VFM resumed in late 2020, with a final draft submitted to IGEES for review in January 2021. A final draft, incorporating IGEES' observations is being reviewed by the Steering Committee with a final meeting of the Steering Committee planned with the intention of signing off on the final report. It is anticipated that this meeting will take place by Q2 2021, with the report laid before the Oireachtas shortly thereafter.

Update 2:

The Value for Money Review on Nursing Home Care Costs report was published on the 15 of December 2021.

The Review made 9 recommendations with implications across a number of health sector bodies. 7 of these recommendations were fully accepted and 2 (recommendations 1 and 8) were partially accepted. The progress against these recommendations is being monitored by the Department and an update is enclosed below.

Issue 3 – Maximum pricing

Under the Nursing Homes Support Scheme Act 2009 the NTPF is required to negotiate the maximum cost of care for nursing home residents who avail of the scheme in private or voluntary nursing homes. The Committee is of the opinion that negotiating maximum pricing has resulted in the maximum price becoming the standard price. The Committee acknowledges that the NTPF is bound by the legal provisions of the Act and is concerned that the current model is not functioning effectively and is limiting the competitiveness of the process.

Recommendation 3:

The Committee recommends that the Department of Health, as the Government Department responsible for the legislation, reviews the Nursing Homes Support Scheme Act 2009 to provide alternative mechanisms to facilitate more effective negotiations between the NTPF and private or voluntary nursing homes.

Response 3:

The Department of Health notes the recommendation to review the pricing mechanism for the NTPF and confirms that, as noted in Special Report 110, a Pricing Review has been completed by the NTPF.

As of March 2021, the Minister for Health and the Minister for Mental Health and Older People are considering the content of the Review and the appropriate next steps. Subject to these final considerations, it is anticipated that the report will be published and stakeholder engagement will subsequently commence on its implementation. It is important to note that the NTPF has been designated to negotiate prices with commercial interests on behalf of the State and as such the pricing review may contain content of a commercially sensitive nature that will be redacted from the published version of the report.

Furthermore, the Nursing Homes Support Scheme is a billion-euro complex statutory scheme that requires careful consideration in making any changes. Any such change must be considered in terms of the short and long-term impact on the viability of the Scheme and the continued accessibility of long-term residential care.

Update 3:

The NTPF Pricing Review was The Pricing Review was published on 4 June 2021. It was delivered by the NTPF, overseen by an interdepartmental steering group, with input from external experts. Its recommendations were:

- Carry out a formal assessment of using a formulaic approach in the pricing system

- Carry out a formal assessment of amending the approach to the assessment of "Local Market Price" to reflect prices within other nursing homes within a certain distance of the nursing home rather than within the same county.
- The NTPF should engage with nursing homes and their representatives in relation to enhancing the internal NTPF Review process.
- The pricing system should be amended to cater for high dependency residents when the necessary systems are in place.

A steering group has been established to oversee the delivery of the Pricing Review recommendations. This group is chaired by the Department of Health and includes representation from the HSE and DoH, with appropriate mechanisms established by the group in place to engage with stakeholders such as NHI, NTPF and HIQA, as appropriate.

The delivery of recommendations 1-3 will primarily sit with the NTPF, which will periodically report to the steering group on progress. It is recognised, however, that recommendation 4 has dependencies going well beyond the scope of the pricing review. This recommendation will therefore be incorporated into the Terms of Reference of the 'Older Persons Reform Programme' within the DoH, with appropriate links established between the pricing review steering group (including shared membership) to ensure that appropriate links are made between this recommendation and the others. Formal structures will be created to allow for continued stakeholder engagement with the group.

The terms of reference for the group include a final report to be submitted to ministers, reporting on delivery of recommendations 1-4 set out above and making any further recommendations as appropriate. The Steering group has been established and has met a number of times.

Issue 4 – Documentation of the NTPF's negotiating procedures

The C&AG *Special Report 110* found that the board of the NTPF does not have internal written procedures or a guidance manual for its negotiators. The C&AG's examination of a sample of files highlighted a lack of documentary evidence of items discussed during some negotiations. The Committee is of the opinion that this represents a lack of due diligence and transparency and does not represent best practice. The Committee was informed that the NTPF has accepted the C&AG's recommendation to compile the documentation they use during negotiations into a single manual.

Recommendation 4:

The Committee acknowledges that the NTPF has accepted the C&AG's recommendation regarding this issue. The Committee recommends that the collation of the NTPF's negotiation documents takes place by quarter two 2021, and that the NTPF informs the Committee when the work is complete.

Response 4:

The Department of Health accepts this recommendation and the NTPF has agreed to the Committee's request.

Update 4:

This has been completed by the NTPF

Issue 5 – Assessment of care

Contracts for nursing home residents, including pricing, are based on a standard assessment of need that occurs before a resident moves into a nursing home. However, the Committee was informed by the Health Service Executive that the cost of care is agreed for the lifetime of the resident. Essentially, the standard assessment of need is carried out once and not reviewed. The Committee is of the opinion that this has created circumstances where nursing home residents are charged for supplies and services that are not included in their original assessment of need which does not take account of individuals' evolving care needs. The Committee is concerned that this could create unnecessary stress for some residents.

Recommendation 5:

***The Committee recommends that the standard assessment of need for each resident is reviewed at appropriate intervals. This is to ensure that the care required by nursing home residents is continuously met without imposing an additional financial burden upon residents in the event of their care needs increasing over time*.**

Response 5:

The Department of Health notes that the regular review of care needs is an existing feature of the care that is provided in nursing homes.

The Department of Health understands that the standard assessment of need referred to in the recommendation is the "care needs assessment" made under the Nursing Homes Support Scheme (NHSS) Act 2009 to determine eligibility for long term residential care.

While this particular assessment is not repeated once eligibility has been confirmed, continuous assessment of residents' care needs is fundamental to their care and is directly addressed in the HIQA *National Standards for Residential Care Settings for Older People in Ireland (2016)* through Standard 2.1. . It is also important to note that under Regulation 5 of the Health Act 2007 (Care and Welfare of Residents in Designated Centres for Older People) Regulations 2013, the person in charge of a nursing home is required to arrange a comprehensive assessment, by an appropriate health care professional of the health, personal and social care needs of a resident immediately before or on the person's admission to a nursing home. The person in charge must also prepare a care plan, based on the assessment, and this care plan is required to be formally reviewed at least every 4 months.

The Department of Health further notes that the NHSS covers the cost of the standard components of long-term residential care, which includes "*Nursing and personal care appropriate to the level of care needs of the person"*.

The resident's contribution to this cost is calculated according to the financial assessment of means under the NHSS Act and relates only to the assessment of their ability to contribute to their care based on their assets and income. The amount charged to the resident under the NHSS Act is not calculated with reference to the supplies and services that the resident receives, or the price per resident charged by the nursing home to the NHSS.

Update 5:

Four sites (in CHO's 2, 4, 7 & 8) participated in a pilot to test a new model of Home Support delivery. The data collection phase of the Home Support Pilot concluded in August 2022. The Centre for Effective Services are completing the evaluation and a report is expected Q1 2023.

A total of 807 clients were included in the pilot and 592 InterRAI were completed. Analysis of data will profile service users, their care needs and home support requirements. The CES evaluation team are working with the National InterRAI office to develop a proposal for care banding. Qualitative data from document review, individual interviews and focus group discussions with service users, family, nurses and interRAI assessors will provide valuable insight into operational aspects of the service which will inform a reformed model of service delivery and development of the home support statutory support scheme.

The HSE have commenced recruitment of 128 interRAI facilitator posts which will support national rollout of the interRAI as the single assessment tool for older person services.

The Safe Staffing and Skill Mix Framework for Residential Care is a complex piece of research that will continue throughout 2023. Its objective is to have successfully tested an evidence-based staffing model based on resident need in a number of pilot sites (including private, public and voluntary nursing homes), with a view to evaluating the impact on resident, staff and organisational measures. A National Taskforce, chaired by the Chief Nursing Officer oversees this work and the research is led by Professor Jonathan Drennan, University College Dublin. Significant progress has been made throughout 2022.

Issue 6 – Charges to residents for medical supplies and services that should be provided free of charge to those with a medical card

The Committee requested submissions from various stakeholders on the operation of the Nursing Homes Support Scheme. Nursing Homes Ireland (NHI) raised the issue of medical card holders residing in private nursing homes having difficulties accessing medical supplies and services that they are entitled to through their medical card. The HSE informed the Committee that access to medical card services for medical card holders should not be impacted by the card holder living in a private nursing home. This issue is discussed in more detail in *Overview report on the regulation of designated centres for older persons – 2018,* which was published by HIQA in 2019. In this report HIQA state that registered providers of nursing home care cite access to medical card services as a common issue for nursing home residents. Due to the potential detrimental effects that delays in accessing medical card services can have on a resident, some nursing homes, with the agreement of the resident and/or their families, organise these services through private providers and the subsequent charge is passed on to the resident.

Recommendation 6:

The Committee recommends that the HSE ensures that any resident of a nursing home in possession of a medical card has timely access to, and is never charged for, the medical equipment and services that they are entitled to - regardless of where they reside - under their medical card. The Committee recommends that this matter is addressed urgently by the HSE and nursing homes to ensure that

the practice of charging residents for items and services to which they are entitled as medical card holders can cease with immediate effect.

Response 6:

The Department of Health notes that established procedures exist whereby residents should not be charged for items or services that they are entitled to under the medical card. However, it is important to draw a distinction between entitlements as medical card holders to avail of services through the public care system and the choices that residents may make to purchase supplies or services privately that are in excess of what is funded through the medical card system. For example, there are limits for medical card holders on the quantity of supplies of certain items that are available free of charge, while availability of public services may be governed by local management of waiting lists.

A person's eligibility for other schemes, such as the medical card scheme or the drugs payment scheme, is unaffected by participation in the NHSS or residence in a nursing home. In determining the services covered by the NHSS it was considered very important that the care recipient and the taxpayer would be protected and would not end up paying for the same services twice. For this reason, medications and aids that are already prescribed for individuals under an existing scheme are not included in the services covered by the NHSS, as this would involve effectively paying twice for the same service. An operator should not seek payment from residents for items which are covered by the NHSS, the medical card or any other existing scheme.

Update 6:

The Department recognises that residents and nursing homes may face issues in accessing services or items provided under the medical card, as supplies are limited, and access may be governed by local waiting lists; these issues may also apply to people outside nursing homes. Whilst nursing home residents should not be charged for items provided by the medical card, they may also choose to access such services privately. Whilst COVID-19 has impacted waiting times, the HSE is working actively to improve access times and address backlogs.

4 Value for Money Review of Nursing Home Care Costs

A Value for Money Review on Nursing Home Care Costs was undertaken between March 2018 and March 2021 under the direction of a Steering Committee comprising representatives of the Department of Health, the Department of Public Expenditure and Reform (DPER), the National Treatment Purchase Fund (NTPF), the Health Service Executive (HSE), and the Economic and Social Research Institute (ESRI), led by an independent chair.

The purpose of the VFM Review was to identify, quantify and analyse the reasons for any cost differential between private/voluntary and public nursing homes and, following analysis, to make recommendations for improving the value for money obtained by the Health sector.
The report was published on the 15 of December 2021.

4.1 Recommendations

The Review made 9 recommendations with implications across a number of health sector bodies. 7 of these recommendations were fully accepted and 2 (recommendations 1 and 8) were partially accepted. The progress against these recommendations is being monitored by the Department:

1. **An inter-agency project team, with the range of expertise required, should be established to drive the delivery of the recommendations.**

Update

As noted in the published report, this recommendation has been partially accepted as many of the recommendations refer to work that is currently in train, with established governance or oversight structures. The recommendations also overlap to a degree with the implementation of the NTPF Review of the Pricing System for Long-Term Residential Care and it is essential that oversight structures are not duplicated. Certain other recommendations are discrete workstreams that will be directed from within the appropriate section of the Department.

The Department has set out a plan for how each of the recommendations will be addressed and by which organisation. The Department continually reviews progress against the delivery of the recommendations; the initial results of that review are set out in this document.

2. **The NTPF and Department of Health should explore a potential change to the Deed of Agreement between the NTPF and private operators to allow for the sharing of the information collected by the NTPF with the Department. It is likely that a change in the legislation would be required to facilitate this. A clearly defined process would need to be agreed to provide reassurance to the sector with regards to the purpose, use and availability**

of the data transferred, with safeguards in place to protect any commercially sensitive information.

Update

The Department has engaged with the NTPF to explore the options to changing the Deed of Agreement to allow for additional information sharing, and is now considering the additional types of data that might be required by the Department, the necessary requirements to data sharing arrangements to facilitate this exchange, and the risks and issues presented by any such change.

In that regard, since this recommendation was made, the Department has engaged with the NTPF on a range of topics and it has provided data, analysis and reporting on sets and sub-sets of nursing homes, which have been sufficient to inform policy-making. As such, there may be no requirement to share commercially sensitive data at a level that would allow for the identification of individual nursing homes or nursing home groups, mitigating any risks for providers in that regard.

In parallel, work is ongoing on the development of HIQA regulations that are expected to capture relevant operational data in relation to individual nursing homes. This would include a statutory basis for any required information sharing with the Department.

3. **The interRAI Single Assessment Tool should be rolled out nationally, along with a set of national operational policy and guidelines, to determine the care needs of the applicants to the NHSS. Within a defined period of time (determined by the Department) care needs assessments used to determine funding under the NHSS should be undertaken using the interRAI Single Assessment Tool.**

Update

Four sites (in CHO's 2, 4, 7 & 8) participated in a pilot to test a new model of Home Support delivery. The data collection phase of the Home Support Pilot concluded in August 2022. The Centre for Effective Services are completing the evaluation and a report is expected Q1 2023.

A total of 807 clients were included in the pilot and 592 InterRAI were completed. Analysis of data will profile service users, their care needs and home support requirements. The CES evaluation team are working with the National InterRAI office to develop a proposal for care banding. Qualitative data from document review, individual interviews and focus group discussions with service users, family, nurses and interRAI assessors will provide valuable insight into operational aspects of the service which will inform a reformed model of service delivery and development of the home support statutory support scheme.

The HSE have commenced recruitment of 128 interRAI facilitator posts which will support national rollout of the interRAI as the single assessment tool for older person services.

4. **A programme of work should be established to examine and develop, as appropriate, a model for the allocation of resources through the use of Resource Utilisation Groups to align resources/payments to care needs. This should include an examination of international evidence and best practice and should include a comprehensive capture of data using the interRAI assessment tool for a minimum period to determine a baseline profile of care needs in residential care settings. Work on such resource allocation models should fully align with development work being undertaken with regard to the development of the statutory home support scheme.**

Update

Work is underway in the Department which will assist with the future design of a bespoke case mix classification/resource allocation model for Ireland's statutory home support scheme and residential care service. As part of this work, the Department commissioned an evidence review from the Health Research Board (HRB) entitled 'Linking care bands to resource allocation for home support and long-term residential care' which was published in July 2021.
The evaluation of the testing of a reformed model of service delivery for home support will be integral to the evidence base for the development of a system of care banding. The respective home support and residential care policy teams are engaging within the Department to ensure that developmental work in both sectors is aligned.

5. **The Safe Staffing and Skill Mix Framework for Residential Care should be agreed as a priority.**

Update

This is a complex piece of research that will continue throughout 2023. Its objective is to have successfully tested an evidence-based staffing model based on resident need in a number of pilot sites (including private, public and voluntary nursing homes), with a view to evaluating the impact on resident, staff and organisational measures. A National Taskforce, chaired by the Chief Nursing Officer oversees this work and the research is led by Professor Jonathan Drennan, University College Dublin. Significant progress has been made throughout 2022.

Following an extensive review of the literature and consultation with experts in Long Term residential Care Settings (LTRCs), academic settings and clinical practice, the Nursing Hours per Resident Day (NHpRD) model, using the Resource Utilization Group (RUG)-IV tool was recommended as the approach to test in the LTRC pilot sites in Ireland. NHpRD has been selected given its comprehensiveness; in addition, the wide-spread use of the RUG-IV internationally and its incorporation into the InterRAI suite of measures, identifies it as an instrument that has utility in LTRC settings in Ireland.

Approximately 450 residents in Ireland are now being assessed on an ongoing basis using the RUG-IV tool to determine the nursing care hour requirements. The first baseline research report was recently published. A key milestone of the pilot whereby any necessary staffing adjustments in line with the Framework requirements will be made will commence early in 2023. Following this, a further evaluation report by the research team is planned for the end of Quarter 2 2023.

6. **An extensive review and audit process be established as a matter of urgency to examine the operation, costs, staffing, rostering, use of agency staff and cost assignment in public nursing units prioritising the most expensive nursing homes. The process should be supported by external expertise as required. Cost improvement measures should be a key outcome along with recommendations for future use and/or alternative service models where costs improvement measures cannot be achieved.**

   Update

   Scoping has begun for an independent audit of the public cost of care, as envisaged by this report, to ensure that cost overruns are minimised or eliminated where possible, maximising the value of our investment in public residential care. Terms of reference for an audit are being developed, and it is anticipated that the work will begin in 2023.

   The work was paused to allow for the HSE to complete a National Bed Register of Community Nursing Units, which has now been completed The purpose of this exercise was to agree on particular bed data in order to provide accurate information that will identify challenges to service delivery and inform future planning while also supporting the principle of 'Value for Money' .

   Building on this work, a National Working Group is in place for the purpose of determining standardised definitions of bed categories i.e. Rehabilitation/Respite/Transitional Care etc. This is important as it will form the foundation of what will influence allocated resources linked to service user acuity going forward. This work is ongoing and forms part of the wider work of the National Community Based Public Residential Care Group as well as the continuous engagement with CHO areas in relation to the drivers of the cost of care specific to each unit and follow up on identified actions relating to specific units.

7. **The published cost of care for public nursing homes should be explicit whereby the cost of care referred to is the maximum cost of care that can be charged to the NHSS. For the purposes of transparency, a list showing the actual eligible costs incurred by each nursing home, highlighting any variances against the maximum cost of care, should be published shortly after the end of each financial year.**

   Update

   In March 2022 the HSE published its annual updated cost of providing care in its public residential care centres for older people.

The report gives detailed cost of care in public nursing homes. It shows that the cost of care has increased to from €1,674 per week in 2021 to €1,698 per bed per week in 2022.
The 1.4% increase can be attributed to pay increases provided under the Lansdowne Road Agreement (funded separately to Nursing Homes Support Scheme (NHSS) funds allocated within the HSE Service Plan 2022). These costs do not relate to the amount a person will pay towards their care under the NHSS (Fair Deal).

The HSE acknowledges there are variations in the cost of care across public centres as well as across private nursing homes, with public nursing homes generally having a higher cost of care. Factors that contribute to the cost differential are set out in detail within this Value for Money report. The HSE has also acknowledged that there are variances between the published cost of care for the year, which is based on historical data, and the full scope of eligible costs actually incurred. This is set out in the HSE's annual financial statements each year, which have been published for 2021.

It is understood that the HSE will publish the required, detailed additional information, as committed to in this recommendation, in respect of the calendar year 2022 onwards.

8. The Department of Health and the HSE should examine if a cohort of existing long-term care residents supported under the NHSS could have remained at home for longer had the right package of supports been available.

Update

As noted in the published report, this recommendation has been partially accepted as work was already in train to provide a set of home support packages aimed at avoidance of long-term residential care, i.e. making available the "right package of supports" envisioned in this recommendation.

This initiative commenced through the Winter Plan 2020/2021, which was framed in the context of an increasing demand for unscheduled care, the need to support service continuity and resumption of services and delivering essential healthcare in the context of a pandemic. The Plan provided for enhanced intermediate and rehabilitation bed and outreach capacity, transitional care capacity and a Home First approach through significant enhanced Home Support hours and Reablement packages of care.

A number of initiatives were put in place in order to support both the discharge of patients from an acute setting and demand from the community, depending on the assessed care needs of the individual client/patient.

One such initiative focused on Long-Term Care Avoidance – Discharges / Extensive HS Packages / Hospital Avoidance. Under this initiative, patients being discharged from an acute setting or

clients in the community who would have otherwise been a candidate for Hospital Admission or Long-Term Care could be discharged / maintained at home with a maximum Home Support care package of up to 56 hours per week.

7,866 clients were allocated a Home Support Package under this initiative of which 5,703 clients commenced their service during 2021. These packages remained active at year end. In addition, 915 clients commenced the service during 2021 under this initiative but ceased before year end.

9. The recommendations of this review should be implemented having regard to the recommendations of the final report published by the COVID-19 Nursing Homes Expert Panel on 19 August 2020.

Update

The COVID-19 Nursing Homes Expert Panel Report includes 86 recommendations in total, over 15 thematic areas, with associated timelines for implementation over the short, medium and long term. The Minister for Health established an oversight structure to ensure the implementation of the important recommendations contained in this Report. This encompassed the establishment of both an Implementation Oversight Team and a Reference Group.
The recommendations in the Expert Panel report were two-fold in nature: firstly, immediate actions required for the ongoing protection and support for nursing home residents during the pandemic and, secondly, medium- and longer-term recommendations in relation to broader system reforms to enhance and better integrate nursing home care and older persons care more broadly.

The Government is committed to the implementation of the Expert Panel recommendations. While it is accepted that this broad programme of wide-ranging and complex reform will take time to implement, the fourth progress report on the implementation of the recommendations, published in June 2022, highlights the important progress that has already taken place across a number of areas and sets out clearly the structures and processes that have been established to ensure continued implementation.

The Nursing Home Expert Panel's recommendations have provided a guiding framework not only for the pandemic response in nursing homes over the last two years but also more broadly for a wide-ranging programme of improvement and reform for older persons' care. Its recommendations are implicitly considered in the existing reform framework for the NHSS, comprising the recommendations of this review, the Pricing review, the C&AG review and the Programme for Government.

Significant progress has already been made in implementing the recommendations of the NH Expert Panel, particularly those recommendations requiring a priority focus in the response to COVID-19, and work to progress medium and longer term reform recommendations is ongoing.

Provision of over €22 million was made in Budget 2022 for the implementation and mainstreaming of a range of Expert Panel recommendations, including the establishment of permanent Community Support Teams, piloting of clinical governance oversight committees and the development of a Safe Staffing Framework for the sector.

Four Expert Panel Progress Reports have been published to date.

5 Background information on NHSS

5.1 The Nursing Homes Support Scheme (NHSS)

The Nursing Homes Support Scheme (NHSS), commonly referred to as 'Fair Deal', is a system of financial support for people who require long-term residential care. Participants contribute to the cost of their care according to their means, while the State pays the balance of the cost. The Scheme aims to ensure that long-term nursing home care is accessible and affordable for everyone and that people are cared for in the most appropriate settings.

The NHSS currently supports over 22,500 people. Around 80% of those are supported in private nursing homes, with the remainder in public HSE-run facilities (both systems are funded through the NHSS). The scheme had a total budget of 1.053 billion in 2022. As such, the sustainability of the scheme and timely access to support for applicants, can be significantly impacted by cost pressures.

Budget 2023 saw over €40 million in additional funding for the Nursing Homes Support Scheme (NHSS) which will provide for an uplift in the maximum prices chargeable by private and voluntary nursing homes, as negotiated.

5.2 Nursing Home Inflation and Funding made available (Temporary Inflation Payment Scheme (TIPS))

Minister for Health, Stephen Donnelly, and the Minister for Mental Health and Older People, Mary Butler, have announced the launch of the Temporary Inflation Payment Scheme (TIPS), an additional support to help private and voluntary nursing homes with inflationary energy cost increases from July to December 2022 with a budget of €10 million.

All private and voluntary nursing homes that have an agreement with the National Treatment Purchase Fund for 'Fair Deal' can apply for this additional support for July to December 2022. Nursing homes can claim for heating and electricity cost increases, with 75% of year-on-year cost increases to be reimbursed up to a maximum payment of €5,250 per month per nursing home, backdated to 1 July 2022. This means that each eligible nursing home can apply for up to €31,500 in vouched energy cost increases.

It is important to note that the Scheme is not intended to be allocated on a per resident cost but rather per nursing home in line with their actual increased costs. As designed, TIPS recognises that individual nursing homes may have different existing arrangements in place with energy providers and therefore experience varying cost increases.

In line with other similar Government schemes, the focus of TIPS is on energy cost increases. Data from the Schemes outturn to date shows that the majority of nursing homes that have applied for the scheme have had cost increases below the threshold.

The Department of Health intends to extend the TIPS for a further 3 months, to March 2023. The Department is currently finalising the relevant details with the Department of Public Expenditure and Reform. Any further extension of the scheme will be kept under review.

Minister Butler is in discussions with Departmental officials to examine ways in which funding can also continue to be used to provide support, where necessary and appropriate, to those nursing homes who are not scheduled to renegotiate their Deeds of Agreement this year. Other options to support nursing homes are also being explored.

5.3 Temporary Assistance Payment Scheme

The Government has provided substantial support to the private and voluntary nursing home sector over the course of the pandemic, with over €147 million in funding delivered through the Temporary Assistance Payment Scheme (TAPS), as well as other supports directly delivered through the HSE, including serial testing, the provision of PPE and deployment of expert response teams.

The Department of Health intends to extend the COVID-19 Temporary Assistance Payment Scheme - Outbreak Assistance (TAPS) for a further 3 months, to March 2023. The Department is currently finalising the relevant details with the Department of Public Expenditure and Reform. Any further extension of the scheme will be kept under review.

5.4 Nursing Home Closures

The Government is aware that a number of nursing homes closed last year. The closure of any nursing homes reduces bed capacity and puts pressure on other local health and social care facilities, including acute hospitals. 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 must continue. They and their families remain the continued focus.

In 2022, 15 nursing homes closed, whilst 4 new homes opened. Due to the larger size of new nursing homes and addition of capacity in existing homes, registered bed capacity in private and voluntary homes increased by 88 over the year. A further 3 nursing homes notified closure in 2022 but remain on the HIQA register.

It is essential that when nursing homes are intending to close, 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.

Furthermore, there is a legal requirement that providers must notify the regulator of their decision. They must give at least 6 months' notice to HIQA if they intend to close. This provides residents, their families and public health authorities appropriate time to respond effectively.

There are examples in which nursing homes have been repurposed as accommodation centres for displaced persons. Other active nursing homes were known to be in official negotiations or to be considering this approach.

Given the challenges currently being faced in the nursing home sector, Minister Donnelly and Minster Butler wrote jointly to Minister O'Gorman, Minister for Children, Equality, Disability, Integration and Youth, to express their concerns in relation to this matter and set out the Department's policy position. Minister Donnelly and Minister Butler both agreed to request a change to the procurement guidelines around accommodation for persons under temporary protection that would exclude from consideration active nursing homes that were still registered operators with HIQA on or after the date of 01 September 2022.

The intention behind this position is to avoid unintentionally incentivising active nursing homes to leave the market. Former nursing homes that had already ceased operation and were deregistered prior to this date would not be affected if they wished to enter into contracts as accommodation providers. Neither Minister Donnelly nor Minister Butler have any direct role in the procurement process or the approval of any individual accommodation centres for

The Government remains committed to ensuring that long-term residential care for older people continues to place residents' care, wellbeing, standards and best interests at the centre of development. It is essential that all future plans for the nursing home sector continue to prioritise the best interests of residents while seeking value for money for the Exchequer. It is imperative that nursing homes continue to manage potential cost pressures in line with their regulatory and contractual responsibilities, maintaining their quality of care so that residents' lived experience and comfort is not affected.

5.5 The National Treatment Purchase Fund

The amount of funding that is allocated per NHSS-participating resident to each private nursing home is effectively set by the maximum rates agreed between each nursing home and the National Treatment Purchase Fund (NTPF). The NTPF are the body designated, under section 40 of the Nursing Homes Support Scheme Act 2009, to negotiate with persons carrying on the business of a nursing home, for the purposes of reaching an agreement on the maximum prices to be charged for nursing home care.

The current NTPF criteria for price negotiations, which the NTPF has regard to in agreeing this maximum price with each home, are:

1. the costs reasonably and prudently incurred by the home and evidence of value for money;
2. the price(s) previously charged;
3. the local market price; and
4. budgetary constraints and the obligation of the State to use available resources in the most beneficial, effective and efficient manner.

The role the NTPF has played in setting the prices for participating private and voluntary nursing homes has been an effective one, delivering value to the taxpayer and affordable access to long-term care for citizens. Approximately 428 private nursing homes are registered with HIQA to operate as nursing home providers. It should be noted that public (HSE) nursing homes are not subject to the negotiation process; the HSE determines the cost of care for public nursing units.

5.6 The NTPF Pricing Review

In 2015, a comprehensive review of the operation of the NHSS was completed. The Review identified a number of recommendations. One such recommendation was the need to undertake a specific review of the pricing mechanism used by the NTPF in relation to the NHSS, with a view to:

- Ensuring value for money and economy, with the lowest possible administrative costs for clients and the State and administrative burden for providers;
- Increasing the transparency of the pricing mechanism so that existing and potential investors can make as informed decisions as possible; and
- Ensuring that there is adequate residential capacity for those residents with more complex needs.

Following the NHSS Review, the Secretary General of the Department of Health wrote to the CEO of the NTPF requesting that it progress the recommendation to review the pricing mechanism.

To deliver the Pricing Mechanism Review, a steering group was established with representation from various departments and agencies, expert advice was sought from Deloitte and Prospectus and Philip Lee, and submissions were sought from stakeholders. Following conclusion of the review, the NTPF submitted its final report to the Minister of Health, with four recommendations.

(i)Recommendation 1: formal assessment of using a formulaic approach in the pricing system as set out in Section 4 of the Report.

This recommendation provides for the NTPF to undertake a formal assessment of using a “formulaic approach” in relation to the pricing system currently used for negotiating with nursing homes. At present, the NTPF negotiates with nursing homes individually to set a price according to its own decision-making criteria, as noted above (cost of care, local market price, previous costs, and overall sustainability of the scheme). The pricing review raised the prospect of an alternative “formulaic” approach, by which prices would be set according to a publicly available formula, based on a nursing home’s operating costs and return on capital. Such a model would be more transparent from the perspective of nursing home operators and investors but would significantly reduce the NTPF’s role in negotiating to keep costs down.

(ii)Recommendation 2: formal assessment of amending the approach to the assessment of "Local Market Price" to reflect prices within other nursing homes within a certain distance of the nursing home rather than within the same county.

At present, the NTPF has regard to prices at county level when assessing 'local market price' (one of the 4 criteria outlined directly above, that is used in determining a nursing home's agreed maximum price). However, disparities within a county (particularly between urban and rural areas) can mean that such prices do not always reflect the reality of local variations in cost. In this recommendation, the NTPF proposed undertaking a formal assessment of an alternative model where the local market price would be based on the prices of nursing homes within a specific radius, rather than at county level.

The Minister for Health has requested that the NTPF progress both recommendations 1 and 2 via the use of a "shadow" pricing mechanism over the course of a 2-year cycle, in order to arrive at a comparative analysis, showing the potential changes in overall costs due to the adoption of such an approach.

(iii)Recommendation 3: NTPF to engage with nursing homes and their representatives in relation to enhancing the internal NTPF Review process.

The current NTPF appeals process is based on an internal review, allowing for a case to be directly considered by the CEO of the NTPF, who makes a final determination. As such, there is no independent review process. Whilst a new, independent review process was considered in this Pricing Mechanism review, it was not recommended. This was on the basis that it would undermine the statutory independence of the NTPF, and that nursing homes already have recourse to the courts by judicial review.

Instead, this recommendation is for the NTPF to engage with nursing home operators and representatives with a view to assessing enhancements to the current internal review process.

The Minister has requested that the NTPF implement this action as recommended.

(iv)Recommendation 4: amending the process for allowing for high dependency residents when the necessary systems are in place.

Residents in long-term care can vary greatly in their level of dependency and need. At present, there is no means by which care professionals can classify different levels of need in a consistent way, nor does the NHSS provide for different levels of funding based on the level of need, in the negotiations undertaken by the NTPF with the nursing homes. There is an argument that such an approach disincentivises homes from taking on higher-dependency residents, as their higher care costs will not be compensated for.

Implementing an approach of funding based on the level of need has several major dependencies that stretch across the health and social care landscape including, but not limited to:

- the rollout of a digital Single Assessment Tool for the consistent assessment of care needs within the HSE;
- reform of homecare through the planned Statutory Homecare Scheme;
- the development of new needs-based funding structures under Sláintecare;
- the output of the taskforce on Safe Staffing; and
- the Report of the '*Covid-19 Nursing Homes Expert Panel, Examination of Measures to 2021'* recommended greater integration of private nursing homes into the wider framework of public health and social care.

Therefore, whilst recommendations 1 to 3 inclusive can be taken forward by the NTPF in the short term, recommendation 4 will require a longer-term programme of work within the Department of Health.

The Minister has requested that the Department of Health progress this recommendation.

Publication and Implementation

Publication: The review was published on 4 June 2021.

Delivery of recommendations: A steering group has been established to oversee the delivery of the recommendations. This group is chaired by the Department of Health and includes representation from the HSE and DoH, with appropriate mechanisms established by the group in place to engage with stakeholders such as NHI, NTPF and HIQA, as appropriate.

The delivery of recommendations 1-3 will primarily sit with the NTPF, which will periodically report to the steering group on progress. It is recognised, however, that recommendation 4 has dependencies going well beyond the scope of the pricing review. This recommendation will therefore be incorporated into the Terms of Reference of the 'Older Persons Reform Programme' within the DoH, with appropriate links established between the pricing review steering group (including shared membership) to ensure that appropriate links are made between this recommendation and the others. Formal structures will be created to allow for continued stakeholder engagement with the group.

The terms of reference for the group include a final report to be submitted to ministers, reporting on delivery of recommendations 1-4 set out above and making any further recommendations as appropriate. The Steering group has been established and has met a number of times.

5.7 Rental Income

The Department of Health has also agreed to action 19.8 in the Housing for All Strategy to develop a mechanism in relation to the rental of vacant properties "in a way that is targeted, equitable, evidence-based and provides appropriate safeguards for vulnerable older people".

Following this, the Government has approved a policy change to the Nursing Homes Support Scheme "Fair Deal", to incentivise applicants to the Scheme to rent out their principal residence after they have entered long term residential care. The rate of assessment for rental properties will be reduced from 80% to 40% for income from all principal residences. This will be reviewed after six months of operation, with the potential for further amendment after that point.

This policy change addresses the commitments made under Housing For All Action 19.8. The change is being made through a Committee-Stage amendment to the Department of Housing, Local Government and Heritage's Regulation of Providers of Building Works and Building Control (Amendment) Bill 2022. The Bill was approved by the Oireachtas on June 30th and was signed into law by President Higgins in July and Commenced on 1st November.

5.8 Nursing Home Support Scheme (Amendment) Act 2021

The Nursing Homes Support Scheme (Amendment) Act 2021, which was signed into law on July 22nd and became operational from October 20th, introduced safeguards in the NHSS to further protect the viability and sustainability of family farms and businesses. The principal amendment of this Act ensures that where the owners of farms and businesses go into long-term residential care, their contributions against those assets will be capped at 3 years, providing that a named family successor commits to running the asset for a period of six years and certain other conditions are met. It also includes an amendment in relation to applying the 3-year cap to the proceeds of sale of a house while a resident is in long-term care. This addresses the first relevant commitment in the Housing for All Strategy (action 19.7).

Within the NHSS, the asset value of a resident's home, known in the Scheme as the "principal residence", is assessed for 3 years, with 7.5% of its value going towards the cost of care (3.75% in the case of a couple). After 3 years on the scheme, the value of this property is no longer assessed. In practice, this generally reduces the nursing home fees of those maintaining their home, from year four onwards. However, under previous rules, if it was sold, the resulting cash asset was assessable in full for the entire length of stay in care. This could act as a disincentive for those who might otherwise consider selling their homes. The 2021 Act now extends the 3-year cap to cover the proceeds of sale, so that a person will be able to sell their home without incurring additional fees from the fourth year onwards.

5.9 Additional Charges in Nursing Homes

Although the Nursing Home Support Scheme covers core living expenses, residents can still incur some costs in a nursing home, such as social programmes, newspapers or hairdressing. Several organisations and individuals have raised issues around these charges.

The complaints include a lack of transparency around the charges, clients being charged for services that they do not avail of and more recently a flat charge levied due the increased coast associated with COVID and the removal of Temporary Assistance Payment Scheme (TAPS) funding.

A person's eligibility for other schemes, such as the medical card scheme or the drugs payment scheme, is unaffected by participation in the NHSS or residence in a nursing home. In determining the services covered by the NHSS it was considered very important that the care recipient and the taxpayer would be protected and would not end up paying for the same services twice. For this reason, medications and aids that are already prescribed for individuals under an existing scheme are not included in the services covered by the NHSS, as this would involve effectively paying twice for the same service.

The 2020 Programme for Government, Our Shared Future, commits to ensure that no Nursing Homes Support Scheme resident is charged for services they do not use.

Work is ongoing within the Department of Health to examine potential approaches to the issue of additional charges.