

# A Value for Money Review of Nursing Home Care Costs:

## The Department of Health's Response

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

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*Rationale: The Steering Committee has brought forward a range of recommendations that are substantial and would likely require primary legislation and substantial redevelopment of the NHSS. The first recommendation proposes the establishment of an inter-agency project team, with the range of expertise required, in order to drive the delivery of the other recommendations. The work arising from these recommendations would involve significant research, policy analysis and development work, and a wide-ranging mix of clinical, economic, and legal input.*

### **Departmental Response:**

Partially Agreed. 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 ('NTPF Pricing Review') and the COVID-19 Nursing Homes Expert Panel Report ('the Expert Panel report') 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, or are currently overseen through the Implementation Oversight Team for Expert Panel report. The Department will set out a plan for how each of the recommendations will be addressed and by which organisation. Progress against these recommendations will be monitored through existing NHSS oversight structures. A progress report will be provided every six months.

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**Recommendation 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.

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*Rationale: The Review's remit of comparing the cost differential was hampered by the lack of comparable private sector financial data. While the NTPF collect this information during price negotiations, it was not releasable to the Department on the basis that the Deed of Agreement between private operators and the NTPF makes no provision for this. The NTPF obtained legal advice that to do so may be considered breach of contract. However, it is reasonable that the Department, as the funders of the Scheme and the body with responsibility for policy making, should have sight of all relevant information.*

**Departmental Response:**

Agreed. It is noted that this crosses with the recommendation of the COVID-19 Nursing Homes Expert Panel, which makes it necessary to report certain information to HIQA and for this to be shared with other state agencies.

The Department will engage with the NTPF to give consideration to the comparative benefits and risks to changing the Deed of Agreement to allow for additional information sharing, and to develop a further recommendation for a proposal that minimises risks related to commercial sensitivities and the statutory independence of the NTPF.

Consideration will also be given to the comparative benefits of obtaining and sharing this information through the NTPF, where information is obtained in relation to a commercial function and process to negotiate prices, or through HIQA in the context of regulation and oversight. It will be necessary to establish the purpose of sharing this data and its potential use in order to clarify the most appropriate vehicle for collection and sharing of this data. It may also be noted that a regulatory amendment may be more straightforward to effect than a change in legislation.

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**Recommendation 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 applications to the NHSS. Within a defined period of time (determined by the Department) care needs assessments used to determine funding under the Nursing Homes Support Scheme should be undertaken using the interRAI Single Assessment Tool.

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*Rationale: It has long been assumed that public nursing homes have a larger cohort of higher dependency/high complexity residents than their private sector counterparts. This assumption is based on anecdotal evidence only as there is no single assessment tool used to determine the individual care needs of residents in nursing homes. The study, undertaken as part of this Review attempted to test this assumption, found no discernible difference in care needs between the sectors. However, as this study involved only around 1% of the total cohort of residents participating in the NHSS it cannot be considered in any way representative. The study does however illustrate that the InterRAI tool, if used in a much larger representative study, or national roll out, would help to determine if differences in care needs exist on a sectoral basis.*

**Departmental Response:**

Agreed. The Department is in the process of finalising plans with the HSE to implement the rollout of interRAI. Funding has been made available for its national roll out in community settings, with an initial focus on the home support sector.

The phased interRAI rollout across older persons services includes the development of operational policies / procedures to deliver the operationalisation of the process for assessment through to service provision, across both community and acute settings.

The HSE is putting in place a number of workstreams to inform the design and implementation of an operating model for interRAI Ireland. This work will be developed through a HSE interRAI Programme, which will be a component of the wider home support and residential reform programme and governance structures.

In order to fully support the use of interRAI as the assessment methodology and process for assessing care needs *vis-à-vis* home support and residential care, the Department of Health, with the support of the HSE, will develop an overarching policy framework.

Investment secured for home support in 2021, which is being continued into 2022, will provide for 5m additional hours over 2020 levels; will commence the rollout of interRAI through delivering 130 interRAI assessors which are currently being recruited and will establish the National Home Support Office that will collect and analyse data from these assessments which will be critical in determining how to integrate care needs assessment into the NHSS.

The use of care needs assessment to determine funding under the Nursing Homes Support Scheme is to be determined in the context of the implementation of the NTPF Pricing Review's recommendation to amend the pricing process to allow for high dependency residents, which draws together a number of workstreams. It must be recognised that any change to the funding model will require legislative amendments, which must be considered carefully in order to avoid any undesirable consequences or interactions.

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**Recommendation 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.

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*Rationale: The use of a standard tool would better allow the Department to align resources more closely to individual care needs. The interRAI Single Assessment Tool is currently being piloted in a number of acute hospitals to determine the care needs of patients who are unable to be discharged without some level of support. Periodic use of the tool in a residential setting would provide a platform for measuring care outcomes, which this Review has not been able to sufficiently address due to lack of existing data. Periodic assessment will highlight changes in levels of dependency/acuity and provide for realignment of resources where necessary.*

*Ideally, payments should be structured to reflect the costs associated with meeting individual care needs. The Resource Utilisation Group function of the interRAI Single Assessment Tool allows for the creation of multiple price bands linked to care needs. However, in order to effectively create these price bands, a detailed understanding of care needs must be established. Therefore, it is likely that at*

*least two years of periodic SAT assessments would be required in order to build a meaningful profile of costs.*

**Departmental Response:**

Agreed. As with recommendation 3 above, this relates to existing strands of work that are focussed on a closer alignment of needs and resources within the wider system for the care of older persons. A similar approach is suggested by the NTPF Pricing Review, which recommends that the pricing approach be amended to reflect the dependency levels of residents, once appropriate systems are in place.

Work is underway in the Department which will assist with the design of a bespoke case mix classification/resource allocation model for Ireland's statutory home support scheme and residential care service. This includes the commissioning of an evidence review which will examine linking care bands to resource allocation for home support and long-term residential care. Data collected from the testing of a reformed model of home support service delivery will enhance the evidence base in this regard. As with recommendation 3, this recommendation will be integrated with the implementation of the NTPF Pricing Review.

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

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*Rationale: Based on the information available, the biggest drivers of the cost differential are staffing levels and skill mix. Public nursing homes, on average, have approximately 2.5 times as many nurses to residents as private nursing homes. While HIQA have a responsibility for ensuring that staffing levels are sufficient, there is no national framework currently in place that illustrates the appropriate number of staff, and skill mix. While the Safe Staffing and Skill mix Framework for Residential Care will rightly focus on the quality of care delivered, it will also be a valuable tool from a value for money perspective in ensuring that staff resources are closely aligned with the needs of residents.*

**Departmental Response**

Agreed. A National Taskforce has been established by the Minister and is meeting regularly to develop a Framework for safe staffing and skill mix in long-term residential care settings for older persons. The Taskforce has representation from key stakeholders and agencies.

University College Cork, led by Professor Jonathan Drennan, has been awarded the research contract and commenced its work by conducting an international evidence review, which will be published in due course. This review noted that determining safe staffing within long terms residential care facilities requires several considerations including the number of staff required, the skill mix of the staff and the dependency and acuity levels of the residents. There is also a need to consider the education and specialist qualifications of staff working in these settings. The research team undertook a review of the literature pertaining to models, approaches and frameworks used in long terms residential care facilities worldwide. The models that have been tested and have an evidence

base have been brought to the taskforce for further consideration, and a decision has been made to bring one model to pilot testing stage.

Testing in pilot sites has commenced in 9 sites nationally. whereby any necessary staffing adjustments in line with the staffing model being tested will be made. Funding has been made available to support this through 2022 as part of the ongoing implementation of recommendation of the Expert Panel report. The research team will monitor the impact of the adjustments made on pre identified resident, staff and organisational outcomes.

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**Recommendation 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.

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*Rationale: The international evidence offers compelling reasons for the continued provision of public nursing homes. However, the cost of care in public nursing homes can vary widely. Even with higher costs of care, some public nursing homes are incurring costs significantly higher than the maximum cost of care they can charge to the NHSS. Largely following the Pareto 80/20 rule, the 20% most expensive public nursing homes account for approximately 80% of the variance (83% of net overspend, 73% of gross overspend). Therefore, a focus on reducing the cost overruns in the most expensive nursing homes via an audit process, would aim to address the majority of the overall overspend in public nursing homes. Ideally an audit should include a number of public nursing homes that operate within their maximum cost of care to allow for comparison and possible benchmarking.*

**Departmental Response:**

Agreed. The drivers behind the high cost of certain public residential care units would benefit from review. The HSE has committed to addressing the issue identified and has agreed to implement the recommendations of this report. The Department will work with the HSE on the establishment of an independent process to examine cost drivers, recognising that there may be challenges in disaggregating the impact of the pandemic on the cost base or service delivery practices.

It is also understood that cost improvement measures may have limitations where the underlying driver of cost differentials relates to client need. There is already general agreement that greater alignment of funding and needs is required and there is an existing, wide-ranging programme of work that will facilitate needs-based funding and pricing in the future. It is anticipated that the outputs of this review will be combined with the deployment of interRAI and other existing workstreams to inform development of any new service models.

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**Recommendation 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.

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*Rationale: While it is appropriate that the HSE, at a national level, sets the maximum cost of care as it deems reasonable for each public nursing home, the majority of public nursing homes are incurring costs greater than this. The published cost of care, which shows the maximum costs chargeable to the NHSS, could be misconstrued as a reflection of the actual costs public nursing homes are incurring per resident per bed per week. For the purposes of transparency, a separate list which clearly shows the cost variances should be published shortly after the end of each financial year.*

**Departmental Response:**

Agreed. The Department agrees that the costs published by the HSE should be transparent in reflecting the actual, eligible costs that have been incurred by the HSE in delivering long-term residential care.

Noting that there are considerations around the difference in funding model and the method for agreeing prices to be charged to the NHSS in both the public and private systems, the reform programme for public residential care is expected to address the delivery of efficiency savings and it will be important to ensure that baselines are accurate and transparent.

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**Recommendation 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.

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*Rationale: There is a general consensus that a cohort of people who are supported by the NHSS for their long-term residential care needs, may, with the right level and arrangement of supports, have been able to remain at home for a longer period. The HSE and the Department, in the context of a future Statutory Home Support scheme, should examine if this situation can be substantiated. Ideally, the cohort should be residents recently admitted to a nursing home. From there, establish what type and level of support would have been required to keep this cohort at home and determine if a value for money case exists.*

**Departmental Response:**

Partially Agreed. A key principle underpinning Government housing policy is to support older people to live in their own home with dignity and independence for as long as possible. The aim is to ensure that older people will have access to a greater range of residential choices by developing a variety of housing options that are better suited to their needs. This means that older people can plan ahead and, where feasible, choose the right home for them. Varying levels of support are needed to enable older people to continue living in their own homes and communities.

A major action in this regard is the development of a statutory scheme for the financing and regulation of home-support services, which the Department of Health is bringing forward. It is intended that the new scheme will provide equitable and transparent access to high-quality services based on a person's assessed care-needs, and that it will also operate consistently across the country. This will enable many older people to continue to live as independently as possible in their own community. 2021 has seen substantial progress in the "Home First" initiative to support people to live in their own homes for longer, including investment in 5 million additional hours of home care to be delivered across 2021 and 2022; the commencement of the pilot for a reformed model of service delivery for home support; initiation of the recruitment campaign for 130 interRAI assessors and preparation for the establishment of the National Home Support Office.

Substantial investment continues to be made in HSE capacity to offer additional hours of home support including packages that are targeted at long-term care avoidance. This provides a test case of the scenario envisaged by this recommendation, whereby additional funding has been made available to support those who would otherwise have entered long-term residential care.

By October 2021, 2.5 million more hours had already been delivered than by October 2020, including these packages of care that are specifically aimed at the avoidance of admission to long-stay residential care. The allocation of these packages will be analysed at the end of the year to quantify the value for money. With regard to a broader analysis examination of whether or not residents could have remained at home if the right package of supports had been made available, there are complex questions of choice, family support and access to community supports that mean that the availability of a home support package or housing adaptation grants may not be the only, or even the primary, driver of the decision to enter care.

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**Recommendation 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.

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*Rationale: The Expert Panel's report, which was published on 19 August 2020, contained a range of recommendations in line with lessons learned from the response to the COVID-19 pandemic and international best practice, aimed to safeguard the residents in nursing homes over the next 12-18 months and into the longer term. The recommendations of this VFM Review should be considered in tandem with those of the Expert Panel.*

**Departmental Response:**

Agreed. The COVID-19 Nursing Home 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 Implementation Oversight Team has met 20 times to date.

Work to progress the implementation of the Expert Panel report will continue, as it provides an important framework for the ongoing response to COVID-19 and longer-term reform.

The Department will put appropriate structures in place to ensure that the recommendations of the Nursing Home Expert Panel are considered in conjunction with the recommendations of this report. As of November 2021 many of the recommendations of the Expert Panel report have been implemented, particularly its short- and medium-term recommendations, with nearly €18m additional funding made available for its continued implementation into 2022, such as the Safe Staffing pilot (see recommendation 5).