

## **B. Improvements to the existing Subvention Scheme**

Option B explores the possibility of utilising the subvention scheme to attain the objectives outlined in section 2.

Substantial improvements have been made to the existing nursing home subvention scheme in 2007. Since 1<sup>st</sup> January 2007, the three separate rates for subvention have been replaced by a single, increased maximum rate of €300 per week. Additional funding has also been provided for enhanced subvention although the payment of enhanced subvention is still ultimately a discretionary matter for the HSE. Finally, the HSE will cease imputing income from the principal private residence where it has already been imputed for three or more years. This is consistent with the proposed new scheme, *A Fair Deal*.

## **C. A Fair Deal**

This is the option proposed by the Minister for Health and Children to the Government in December 2006. The option involves introducing a new long-term residential care scheme which would replace both the system of charges for public long-stay beds and the private nursing home subvention scheme.

The proposed scheme would apply to all public long-term residential facilities predominantly designated as for care of older people, where 24 hour nursing care is provided, and to registered nursing homes. The scheme will apply equally to persons within these facilities whether they are under-65 or over-65. This is consistent with the current nursing home subvention scheme.

The scheme would offer a uniform system of financial support for individuals in both public and private nursing homes. In summary, it involves a co-payment arrangement between the individual and the State. At the time of receipt of care, the individual would contribute up to 80% of assessable income towards the cost of care. In addition, a capped contribution towards care costs based on an individual's asset wealth would be payable at the time of settlement of the individual's estate. The individual would retain the option of paying this contribution at the time when care is being received if s/he so wished. For its part, the State will meet the full balance of cost over and above the individual's contribution in public facilities or private facilities approved for the purpose of the scheme.

# **4. Costs, Benefits and Impacts**

## **4.1 Costs**

### **A. Do Nothing**

As explained in Section 1, under the current system an individual who obtains a long-term care bed in a public facility may be charged a maximum of up to 80% of the State Pension (Non-Contributory) towards the cost of care. This represents about 10% of the average cost of care in a public facility, resulting in the State paying the remaining 90%.

By contrast, an individual availing of a long-term bed in the private sector may be entitled to a subvention but is otherwise obliged to meet the full cost of care. The

## Extract for Second Stage Speech

nursing care. Another key term used in the Bill is “financial support”. This encompasses straightforward financial assistance towards nursing home costs, which is referred to as “State support”, and the option to defer payment of certain contributions during one’s lifetime, which is termed “ancillary State support”.

Section 4 defines a “couple” for the purposes of the scheme. A couple is defined as either a married couple, or a heterosexual or same sex couple who have been cohabiting as husband and wife for at least three years. In each case, the people in the couple must have been habitually living together when they applied for State support or when they began to receive care services. Sections 5 and 6 set out the rules governing the establishment of, and eligibility for, the scheme. Section 5 establishes the nursing homes support scheme and stipulates that the scheme is resource-capped. Therefore, the scheme is premised on the principle of eligibility rather than entitlement. Section 6 further provides that eligibility for the scheme extends to those who are ordinarily resident in the State. In other words, the scheme is not limited to older people.

Sections 7 and 8 relate to the assessment of care needs. Section 7 provides for a care needs assessment to be carried out to ascertain whether a person needs long-term residential care services. It stipulates who may carry out such assessments and what factors may be taken into account. These factors include the person’s ability to carry out the various activities of daily living but also the medical and social supports available to the person.

Section 8 sets out the basis for unsuccessful applicants to seek a review of care needs. Sections 9 and 10 provide for an application for State support and for a subsequent financial assessment of means to establish the contribution an individual may have to pay towards the cost of his or her care. Section 10 stipulates that the assessment shall be carried out in accordance with Schedule 1. Parts 1 and 3 of the Schedule set out the rules for calculating the contribution payable by a single applicant. In summary, a person will make a contribution of up to 80% of income and up to 5% of the value of assets, after deductions and safeguards have been applied. Parts 2 and 3 of the Schedule contain the rules in respect of the contribution payable by a member of a couple. In this case, the assessment is based on the principle of each member of the couple owning 50% of the couple’s combined means. A person who is a member of a couple has an annual assessed contribution of 40% of the couple’s combined income or 80% of half the combined income and 2.5% of the couple’s combined assets or 5% of half the combined assets.

The Bill contains a number of safeguards to protect the income and assets of care recipients and their spouses or partners and the residual value of the principal residence. These include the “minimum retained income threshold”, which ensures a person entering care must retain at least 20% of the maximum rate of the State pension while the spouse or partner remaining at home must retain at least the maximum rate of the State pension; the “general assets deductible amount” or asset disregard, which stands at €36,000 for an individual or €72,000 for a couple; and the cap on the principal private residence, which ensures contributions based on the residence will be payable for the first three years of care only. This is often termed the 15% cap.

## 1. Introduction

The Nursing Homes Support Scheme is a new scheme of financial support for people who need long-term nursing home care. It replaces the Subvention Scheme which has been in existence since 1993.

Under the Nursing Homes Support Scheme, you will make a contribution towards the cost of your care and the State will pay the balance. This applies whether the nursing home is public, private or voluntary.

The scheme has a number of steps and these are set out in the rest of this booklet.

Please note that if you are resident in a nursing home before the new scheme starts, you should read section 10 of this information booklet carefully.

## 2. Applying for the Scheme

In order to apply for the scheme you must be ordinarily resident in the State. Ordinarily resident means that you have been living in the State for at least a year or that you intend to live here for at least a year.

Applications are made to your local Nursing Home Support Office on the standard application form. There are three steps to the application process.

**Step 1** is an application for a Care Needs Assessment. The Care Needs Assessment identifies whether or not you need long-term nursing home care.

**Step 2** is an application for State Support. This will be used to complete the Financial Assessment which determines your contribution to your care and your corresponding level of financial assistance ("State Support").

# Extract from FAQs.

## 1. Introduction

### 1. What is the Nursing Homes Support Scheme?

The Nursing Homes Support Scheme, often referred to as the "Fair Deal", is a new scheme of financial support for people who require long-term nursing home care. The scheme is operated by the HSE.

### 2. What facilities does the scheme cover and where can I get a list of these?

The scheme covers approved private nursing homes, voluntary nursing homes and public nursing homes, i.e. (HSE Community Hospitals & Community Nursing Units). You can get the list of nursing homes from the HSE.

### 3. Who can apply for the scheme?

Anyone who is ordinarily resident in the State and is assessed as needing long-term nursing home care can apply for the scheme. The subvention scheme did not make a distinction on age grounds and nor will the Nursing Homes Support Scheme.

### 4. What type of care does the scheme cover?

The scheme covers long-term nursing home care only. It does not cover short-term care such as respite or convalescent care, or day care although these types of services may be provided in a nursing home.

### 5. What services are covered by the scheme?

The services covered by the scheme are:

- nursing and personal care appropriate to the level of care needs of the person,
- basic aids and appliances necessary to assist a person with the activities of daily living,
- bed and board, and
- laundry service.

Existing arrangements with regard to the provision of incontinence wear to residents in public and private nursing homes will remain in place. Furthermore, a person's eligibility under other schemes, e.g. Medical Card and Drugs Payments Schemes, remains unaffected by the introduction of the Nursing Homes Support Scheme.

### 6. Can I still apply for Nursing Home Subvention after the Nursing Homes Support Scheme commences?

No. You can apply for subvention right up until the Nursing Homes Support Scheme is commenced. However, from that date, the Nursing Homes Support Scheme will replace the existing subvention scheme and new applications will no longer be processed. Anyone already in receipt of

**Chun an Aire Sláinte agus Leanaí**

**To the Minister for Health and Children**

\* To ask the Minister for Health and Children if the fair deal will apply to people who suffer from lifelong disabilities and require residential care; and if she will make a statement on the matter.

Richard Bruton T.D.

**For WRITTEN answer on Wednesday, 7th October, 2009.**

**REPLY**

**Minister of State at the Department of Health and Children (Ms. Brady):**

The Minister announced on Monday that the Nursing Homes Support Scheme, A Fair Deal, will commence on the 27th October 2009.

The scheme is a new system of financial support for individuals in public, voluntary and approved private nursing homes. The scheme is available to anyone assessed as needing long-term nursing home care regardless of their age. However, it does not cover long-term residential care in other settings.

In order to become approved for the purposes of the scheme, a private nursing home must:

- a. be registered and subject to inspection by the Health Information and Quality Authority (HIQA),
- b. have agreed a price for the purposes of the scheme with the National Treatment Purchase Fund (NTPF), and
- c. hold a valid tax clearance certificate.

(Ref:4698/08).

**QUESTION NO: 217**

**Chun an Aire Sláinte agus Leanaí**

**To the Minister for Health and Children**

\* To ask the Minister for Health and Children if she will respond to the concerns of an association (details supplied) in County Louth; and if she will make a statement on the matter.

- Fergus O'Dowd

Details Supplied: details attached Re: Fair Deal, Nursing Home Care Support Scheme 2008, see letter attached from Ms Una Crilly, Dundalk Active Retirement Association, Carroll Mead, Pearse Park, Dundalk, Co Louth

**For WRITTEN answer on Tuesday, 12th February, 2008.**

**REPLY**

**Minister of State at the Department of Health and Children (Ms. Hctor):**

The new nursing home support scheme, *A Fair Deal*, aims to remedy the inequities that exist in the current system. At present, people face greatly different costs depending on whether they are in public or private nursing homes. In addition, individual contributions in public nursing homes are based on a flat rate regardless of an individual's wealth, whereas State support for individuals in private nursing homes is based on means-testing. This means that many people in private nursing homes get no support, and even with a nursing home subvention, people can face costs they cannot afford. The result is that some people are forced to sell or mortgage their homes to pay for care costs.

The new scheme will ensure that the State continues to fund the largest part of care costs overall. Furthermore, a person's family will not have to contribute towards the cost of their care.

Under the Fair Deal, individuals who require long-term residential care will contribute a maximum of 80% of their net assessable income whether for public or private nursing home care. In calculating an individual's net assessable income, it is proposed that account can be taken of specified items of expenditure.

Depending on the amount of a person's assessable income, there may also be a contribution of up to 5% of a person's assets. The State will meet the balance of cost thereafter in public or private nursing homes and an individual's family and/or friends will not have to contribute towards the cost of their care. An individual can choose any nursing home subject to a) its ability to meet their care needs and b) availability.

The payment of the portion of the contribution relating to assets can be paid at the time when care is received, or may be deferred until the settlement of the individual's estate if they so wish. If an individual opts to defer this portion of the contribution, the Revenue Commissioners will collect it upon settlement of their estate.

Where the contribution is based on the principal private residence, it will be capped at a maximum of 15%, or 7.5% in the case of one spouse going long-term residential care while the other remains in the home. This means that after three years in care, an individual will not be liable for any further deferred contribution based on the principal residence.

Where a spouse or certain dependants are living in the principal residence, the contribution may be further deferred until after the death of that spouse or dependant, or until such time as

a person previously qualifying as a dependant ceases to qualify as such.

Finally, the new scheme will not be limited to persons over the age of 65. Any person who enters long-term residential care in a nursing home will be able to apply to avail of the scheme.