Home & Community Care Ireland

Pre-Budget Submission 2020

Home and Community Care Ireland

July 2019

Contents

Introduction

Home and Community Care Ireland (HCCI) is the representative organisation for companies that provide a managed home care service in Ireland. We have over 80 members who directly employ 14,000 carers and care for over 21,000 clients. 30% of public home care is provided by tendered private providers. Of that, we estimate that at least 90% is carried out by HCCI members based on the results of HCCI's first ever *Annual Curám Baile Survey* of our member organisations in 2019.

HCCI members are directly involved on the frontline of home care delivery, in both the public and private sectors. We receive regular feedback from our members on where the strengths, weaknesses and opportunities for improving home care lie. We believe this puts HCCI in a unique position to assess the health of home care in Ireland and make well-informed, practical recommendations.

HCCI and its member organisations have identified a number of areas with significant potential for mutual benefit to the state, home care providers and recipients of home care.

Context

Most people with health and care needs prefer to receive it in the comfort and familiarity of their own home. There is an abundance of Irish and international research demonstrating that home care is a cost and clinically effective intervention which reduces unnecessary admissions to hospital and length of stay in acute care.[1] There has also been a clear policy preference for home care since at least the late 1960's,[2] through to the present-day to support older people to age at home for as long as possible. This can be seen in *The Carer's Strategy, Positive Ageing Strategy, the National Dementia Strategy, and Integrated Care Program for Older People*, among others.

This is positive, and fully supported by HCCI, although we acknowledge that budgetary constraints and competing priorities have often made it difficult for government to fully achieve this policy preference. As such, supply has typically fallen well below what is needed. As of March 2019, 6,238 people were on the waiting list for home care, with an embargo placed on new home care recipients by the HSE from June to November 2019.

Compounding this, the re-orientation of the healthcare system away from an over-reliance on acute care towards greater primary and community care, and demographic changes (e.g. rapid population growth and ageing, increasing life expectancies, declining and ageing pool of informal caregivers) are expected to place intense pressure on home care services in the short and long-term. Ireland has one of the fastest growing and ageing populations in the EU[3] and demand for home care has been projected to grow by 120% between 2016 and 2031.[4]

At the same time, there is significant under-capacity and under-utilised capacity in home care. HCCI believe that with innovative adjustments to certain national policies and the HSE's 2018 tender, the workforce crisis within home care can be alleviated, with the potential for significant economic gain to the state. This will involve collaboration between the Government, the HSE and HCCI, to address both the severe skills shortage and the recruitment and retention crisis in home care which is

[1] (O'Shea & Monaghan, 2016; Cullen & Keogh, 2018; Tomita, Yoshimura, & Ikegami, 2010; Costa-Font, Jimenez-Martin, & Vilaplana, 2017; Oliver, Foot, & Humphries, 2014; Department of Health and Children, 2009).
[2] (Government of Ireland, 1968).
[3] (Department of Health, 2018a).
[4] (Department of Health & PA Knowledge Ltd., 2018).

seriously hampering the sector's ability to sufficiently meet the ever-growing demand for home care services.

Resolving this will require a co-ordinated, whole-of-government response and an engagement with stakeholders. HCCI wish to partner with the Department of Health, HSE and all other relevant stakeholders to collaborate on creative solutions to these issues. The benefits include improved quality of care, a more efficient and fulfilled workforce, and significant cost-savings in more expensive acute and residential care settings.

List of Recommendations

Recommendations	Relevant Department
(1) Clear the waiting list for home care and fully meet people's assessed need by increasing the home support service budget by €138m (31%), to a total budget in 2020 of €584m. This will allow roughly 24m home support hours to be provided to nearly 62,000 people. **(2) Develop a new tender, in consultation with service providers, for 2020. In the interim, convene a consultation with service providers to resolve 2018 tender issues.** **(3) Develop a service for the advocacy and support of care recipients to help improve accessibility to and the usability of CDHC.** **(4) Utilise CDHC as the primary commissioning model when outsourcing home care services.** **(5) Discontinue Fastest-Responder First and develop an alternative commissioning model through a combination of research and consultation with service providers. This model should only be utilised when CDHC is not wanted by a client or is unsuitable.** **(6) Remuneration rates, for all clients, should be the most recent tendered rate put forward by each respective service provider.** **(7) Relieve budgetary pressure on home care through increased outsourcing to private providers.** **(8) Develop and implement maximum wait times for home care provision, in consultation with relevant stakeholders.**	**Department of Health**
(9) Provide an additional €7.1m to the Specific Skills Training fund within SOLAS to allow for an increase in newly qualified healthcare assistants from 5,300 in 2018 to 7,155 in 2020. **(10) Provide an additional €4.7m in funding to the Skillnets Training in the Employment fund to allow the upskilling and continued professional development of private home carers.** **(11) Provide an additional €1.3m to double the capacity of health care-related traineeships.**	**Department of Education and Skills**
(12) Relieve the skills shortage in home care by including Healthcare Assistants on the Critical Skills List.	**Department of Business, Enterprise and Innovation**
(13) Support the activation of home care workers claiming social welfare, by tapering deductions based on hours worked rather than days.	**Department of Employment Affairs and Social Protection**
(14) Examine the various pension and tax credit-related options available, to determine ways in which people in receipt of pensions and who want to formally assist in home care work may be facilitated to do so.	**Department of Employment Affairs and Social Protection, and Department of Finance**

Department of Health

Funding

The HSE's *National Service Plan* expects to provide 18.2m home support hours to 53,417 people within a budget of €446m in 2019. The budget for home care has grown by 45% in the past 4 years from €306m in 2015 to €446m.[5] This is a significant increase, however, the demand and need for home care continue to exceed supply. Service provision is largely being maintained from year-to-year rather than expanding in line with need.

The waiting list for home care grew by 93% between April 2016 and March 2019, from 3,228 to 6,238 people. For those that are receiving home care, the level of service provision is estimated to be falling 15% short of what they are assessed as needing.[6]

Unmet need is even higher. In 2017, 13% of people aged 56+ had an unmet need for community care services, including home care. That equates to 145,000 people. 16% of people aged 50+ had an unmet need for home help in their last year of life.[7] There is evidence that people experiencing unmet need for services and support are more likely to develop more serious problems which potentially lead to admission to hospital,[8] where the costs of care are exponentially higher.

Funding for home care needs to grow rapidly to keep up with demographics, demand and need.

- The health budget must increase by 3-4% per year just to keep up with population growth and ageing. Based on the 2019 budget and service provision, this would add roughly 2,150 people and 725,000 hours to home support services in 2020, requiring an additional €18m.
- Service provision would need to increase by another 12% to clear the waiting list. This would add over 6,000 people and 2.1m hours, requiring an additional €53.5m.
- For those receiving home care, service provision should increase by 15% to fully meet assessed need. This equates to roughly one hour extra per person per week for a total of 3.2m hours, requiring €66.9m.

Recommendation 1:

(1) Clear the waiting list for home care and fully meet people's assessed need by increasing the home support service budget by €138m (31%), to a total budget in 2020 of €584m. This will allow roughly 24m home support hours to be provided to nearly 62,000 people.

The Tender

The HSE's most recent tender for home care services commenced in 2018. This is due to last for 2 years (i.e. to 2020), with the option to extend it by an additional 2 years (i.e. to 2022) at the HSE's discretion. There are serious problems embedded within the current tender, related to the commissioning model and legacy rates of pay to service providers. HCCI believes a new tender

[5] (Dáil Debates, No. 131, 16 May 2019, PQ 21320/19).
[6] (Care Alliance Ireland, 2018).
[7] (HaPAI, 2018).
[8] (HaPAI, 2016).

should be developed to replace the existing tender in 2020, a tender which starts to enshrine the some of the principles defined in Sláintecare.

Commissioning Care

The HSE have estimated that it directly provides 50% of public home care services and outsources 50% (i.e. 30% to private providers and 20% to voluntary providers). Under the 2018 tender, the commissioning model for the HSE's Home Support Services should operate as follows:

(1) HSE Direct Provision.
(2) Consumer-Directed Home Care (CDHC).
(3) Random Selection (Fastest-Responder First).

Consumer-Directed Home Care model (CDHC) aims to provide an individualised, person-centred service delivery by giving clients more control over who provides the services, and how and when these services are delivered. CDHC is a model which has been successfully utilised in other jurisdictions[9] and was piloted in 2017 by the HSE in CHO 3. The pilot concluded:

> *"the CDHC approach is largely cost neutral for the HSE, and there may be a small saving to the HSE due to the transfer of responsibility for care organisation to the client…. [and] a service for advocacy/support of care recipients under CDHC was considered essential".*[10]

Inclusion of the CDHC model in the 2018 tender was a positive step by the HSE. Fastest-Responder First, on the other hand, is a deeply flawed and illogical model. CHOs allocate services to contracted providers by emailing all service providers details (often minimal and insufficient) of a person needing care and the quickest provider to reply will receive the service. It is clearly not patient-centred – providers are forced to compete to provide services without being given time to fully assess the care needs of the client or suitability of staff. If providers fail to reply within 1-3 minutes, generally the package will be lost. This is untenable and potentially harmful to the client. It must be discontinued. This underlines the need for a new tender in 2020. In the interim, the convening of a consultation by the DoH to help resolve the 2018 tender issues would be greatly beneficial.

The HSE's own figures show that Fastest-Responder First is utilised far more often than CDHC. There is also no evidence that a service for the advocacy and support of care recipients, which is essential under CDHC, has been developed.

Recommendations 2 - 5:

(2) Develop a new tender, in consultation with service providers, for 2020. In the interim, convene a consultation with service providers to resolve 2018 tender issues.

(3) Develop a service for the advocacy and support of care recipients to help improve accessibility to and the usability of CDHC.

(4) Utilise CDHC as the primary commissioning model when outsourcing home care services.

(5) Discontinue Fastest-Responder First and develop an alternative commissioning model through a combination of research and consultation with service providers. This model should only be utilised when CDHC is not wanted by a client or is unsuitable.

[9] (Colombo, Llena-Nozal, Mercier, & Tjadens, 2011; Mazars, 2016).
[10] (Phelan, Duggan, Fealy, & O'Donnell, 2018, p. 125).

Legacy Rates

Feedback from our member organisations has also highlighted significant issues with aspects of the remuneration received through the tender process. In every tender, providers are informed they must hold their existing prices for the length of the tender. Under current market conditions with ever increasing costs, this can difficult enough over a two-year period. Where a tender can be extended to 4 years, it simply becomes unsustainable.

In fact, with some clients that have received home care for many years through tendered providers, the tendered providers have had to hold their original tender price indefinitely (e.g. until the client passes away). There are instances where tendered providers may still be receiving rates from pre-2008.

This is damaging both to the provider whose financial viability can come under threat, and to the HSE whose capacity to deliver home care can be diminished if a tendered provider can no longer continue. This is a situation which arose in the UK in 2011.[11] The client who depends on home care to comfortably age at home is most affected.

Recommendation 6:

(6) Remuneration rates, for all clients, should be the most recent tendered rate put forward by each respective service provider.

Waiting Lists and Times

Waiting lists and times vary significantly across Local Health Offices. Some have no waiting list. Others have many hundreds of people on their waiting list with wait times that can exceed 2 years.

Clearing the waiting list will require additional funding. Sustaining a cleared waiting list will require financial prudence and a prioritisation of the issue. The introduction of a statutory scheme for home care in 2021 should certainly help and HCCI fully support its development. However, neither can we delay action until 2021 if we are to prevent an exacerbation of waiting lists and waiting times.

Regarding financial prudence, the costs of directly providing home care appear to be rising for the HSE. HCCI believe that the HSE may be able to relieve a significant amount of the budgetary and supply pressures on home care by outsourcing a greater proportion of public home care services to private providers. Previous reviews have found that tendered private home care providers can deliver home care roughly 30% lower than the cost of direct provision by the HSE, with no evidence of a reduction in quality.[12] At this rate, total outsourcing to private providers could have saved the HSE €93,660,000 in 2019, leaving significant scope to improve tender arrangements while continuing to make substantial savings.

Regarding the prioritisation of waiting lists and times, implementing enforceable, transparent maximum waiting times should be seriously considered for home care. The effectiveness of such an approach has been demonstrated internationally in acute care settings[13] and the HSE has an existing policy in relation to nursing homes, where the target is to maintain the waiting list for funding for

[11] (Health Information and Quality Authority, 2017b).
[12] (PA Consulting Group, 2009; EPS Consulting, 2013).
[13] (Willcox, et al., 2007).

new 'Fair Deal' applicants at no greater than 4 weeks.[14] Ambitious, achievable, effective maximum wait times for home care could be arrived at through consultation with relevant stakeholders.

Recommendation 7 - 8:

(7) Relieve budgetary pressure on home care by increasing outsourcing to private providers

(8) Develop and implement maximum wait times for home care provision, in consultation with relevant stakeholders

[14] (Health Service Executive, 2018a).

Department of Education and Skills

Skills Shortage

Under current labour conditions, HCCI have estimated that an additional 6,000 care workers[15] will be needed in 2020 between the HSE and HCCI members, with an unknown additional increase among voluntary providers also, in order to meet Recommendation 1. This accounts for turnover rates within the HSE but not HCCI members and is equivalent to a roughly 35% increase in care workers for home care.

In its 2018 tender, the HSE recommends that care workers possess the following QQI qualifications:

Code	Level	Title	Type	Awards in 2018[16]
5M3782	5	Health Service Skills	Major	1,221
5M2786	5	Community Care	Major	221
5M4339	5	Healthcare Support	Major	2,609
5M4349	5	Nursing Studies	Major	1,249
			Total	**5,300**

In 2018, 5300 people were awarded with a recommended qualification. This is 12% below what will be needed in 2020. Further, graduates of these courses will be eligible to continue into further education or work in a range of healthcare settings beyond home care, such as acute care or long-term residential care, which themselves are experiencing a shortage of care workers. There is significant competition for an insufficient pool of skilled care workers.[17]

In addition, as home care is largely unregulated, many home care staff may be under-qualified in comparison to the recommended qualifications above. Per HSE tender 2018, any staff who do not already possess one of the above qualifications in full, must be working towards full completion. It is difficult to accurately estimate an exact figure due to a lack of data, but feedback from HCCI members suggests there is a significant need for upskilling and continued professional development.

Funding for the above qualifications comes from the National Training Fund (NTF) within the Department of Education and Skills. The strong economic recovery and raises in the rate of the NTF levy have built up a strong reserve of funding in the NTF, with €60m of surplus funds ring-fenced each year from 2020 to 2024. There are various sub-funds which are of particular relevance to home care and which can help ease the current skills shortage. These include:[18]

[15] Headcount figure. FTE of just over 3,000 care workers.
[16] (Quality and Qualifications Ireland, 2019).
[17] (McNaboe & Hogan, Vacancy Overview 2017: A Report Produced by the Skills and Labour Market Research Unit (SLMRU) in SOLAS, 2018).
[18] (Department of Education and Skills, 2018).

Sub-Fund	2017 Participation	2017 Funding (€m)	2017 Average Cost per Person	2018 Funding (€m)	2019 Funding (€m)
Training People for Employment (SOLAS/ETBs)	29,084	218.5	€7,513	182.5	-
Specific Skills Training	14,310	54.8	€3,829	-	-
Traineeships	3,482	22.5	€6,462	-	-
Training Networks Programme	51,900	18.2	€351	21.7	28
Skillnets Training in Employment	48,900	16.4	€335	-	-

It may be unreasonable to expect the full deficit in capacity to be made up solely from newly awarded graduates in the space of a year. There is a role for increasing the efficiency of the current workforce also. Nevertheless, increasing the number of people accessing the recommended courses is necessary. Given that the workforce must expand by 35% in 2020, it seems reasonable to suggest that the funding should expand to allow 35% more graduates. This is equivalent to an additional 1,855 awardees over 2018 levels. Based on the 2017 data for the cost per person on SOLAS Specific Skills Training programmes, which is the most recent publicly available, this would be estimated to cost an additional €7.1m. HCCI believe this funding should be dedicated specifically to the expansion of home care-related courses, due to the severe skills shortage in the sector.

In addition, HCCI has recently partnered with Leading Healthcare Providers (LHP), which is a learning network co-funded by Skillnet Ireland and dedicated to educating the private healthcare sector. This partnership is crucial to the upskilling and continued professional development of HCCI's 14,000 existing carers. Based on 2017 data, additional funding of €4.7m would be required to the Skillnets Training in Employment programme to fund the continued professional development of each HCCI carer – well below the €6.3m increase provided in 2019.

Recommendation 7 - 8:

(9) Provide an additional €7.1m to the Specific Skills Training fund within SOLAS to allow for an increase in newly qualified healthcare assistants from 5,300 in 2018 to 7,155 in 2020.

(10) Provide an additional €4.7m in funding to the Skillnets Training in Employment fund to allow the upskilling and continued professional development of private home carers.

The work of providing care can be socially, emotionally and physically difficult for carers. Over the years, many care workers have anecdotally reported feeling ill-equipped by their training once they begin formal employment. Qualitative research is beginning to emerge in Ireland confirming the anecdotal reports and feedback from HCCI members, showing "insufficient training and knowledge, for example, about how to use medical devices such as oxygen machines (stairlifts, hospitals beds, etc.), were identified by HCA's (healthcare assistants) as a barrier to providing effective care".[19] This can bring on significant anxiety and unnecessary stress to HCAs.

Of course, not all possible workplace scenarios can be taught in a classroom and there is value to practical learning on the job. Nevertheless, more can be done to prepare trainee care workers for the needs of the labour market. Apprenticeships and traineeships are innovative ways to combine class-based education with workplace learning. The development of a Health Care Assistant Apprenticeship by Griffith College is very welcome and, if successful, HCCI would like such a scheme

[19] (Smith, Murphy, Hannigan, Dinsmore, & Doyle, 2019).

expanded in the coming years provided it is an appropriate QQI level course. In the short-term, there may be scope for significantly expanding the availability of health care assistant traineeships throughout the country, which are shorter in duration than apprenticeships, cost-effective and have achieved impressive employment outcomes.

Traineeships cost on average €6,462 per person in 2017. From communication with the relevant Education and Training Boards, HCCI estimate that there is capacity for roughly 200 people per year to participate on a relevant traineeship commencing in 2019. Attempts should be made to double the availability of care work-related traineeships, at an estimated cost of €1.3m.

Recommendation 9:
(11) Provide an additional €1.3m to double the capacity of health care-related traineeships.

Department of Business, Enterprise and Innovation

The Critical Skills List

HCCI has estimated that the home care sector will require an additional 6,000 healthcare assistants (HCAs)[20] among the HSE and HCCI members in 2020 alone if capacity is to sufficiently expand to meet the demand for home care. This demand simply considers population changes and providing a full level of service provision. It does not include the requirements of voluntary providers (who provide 20% of public home care) or the impact of a statutory scheme for home care which is due to commence in 2021 and which will likely further increase the demand for home care. An estimate of 6,000 additional HCAs is considered conservative.

Other healthcare sectors, such as nursing homes, are similarly experiencing a severe shortage of HCAs.[21] In 2018, only 5,300 people were awarded a relevant QQI Level 5 award to qualify them as an employable HCA.[22] The European Commission has estimated there will be a shortfall of around 1 million healthcare workers by 2020, rising up to 2 million if long-term care and ancillary professions are considered.[23] There is an insufficient supply of appropriately skilled indigenous and EEA HCAs.

Clearly, there is a role for expanding training placements to facilitate greater numbers of home-grown HCAs to enter the labour market. Indeed, HCCI have made this case to the Department of Education and Skills. There is also a role to play for increasing the efficiency and availability of the current workforce of HCAs within home care. HCCI have also made this case to the Department of Health and Department of Employment Affairs and Social Protection.

However, even if both submissions are successful, there is still likely to be a severe shortage of HCAs. Many people who complete a relevant QQI Level 5 course will continue into further education. Assuming 50% of all awardees could be recruited directly into home care, which is highly optimistic given the demand for HCAs across the healthcare system, this would require a 125% increase in the number of available places on relevant courses. This is unrealistic within the space of a year, especially considering demand for the relevant courses fell by 11% between 2017 and 2018.[24]

Further, the *National Skills Bulletin 2018* found that healthcare assistants were among the main vacancies notified through DEASP and Irish Jobs, and this role was identified as a difficult to fill occupation. Nor is it feasible yet for technology to fill the skills gap.[25] The *National Skills Bulletin* states "if a shortage is of a temporary nature it may be more effective to source the scarce skills from abroad, rather than to increase the number of student places in the relevant discipline".[26]

In this context, HCCI strongly believe that HCAs should be placed on the Critical Skills List. Doing so would benefit both service providers and thousands of people around the country in need of home care but who cannot access it due to lack of supply. Significant benefits would also accrue to the exchequer through increased tax revenue.

---

[20] In home care, HCA's can also be known as Home Helps, Home Carers, Home Care Assistants, Care Workers, Support Workers, or Care Assistants. HCA is used here as a generic term for all these titles.
[21] (NHI, 2019).
[22] (Quality and Qualifications Ireland, 2019).
[23] (De Ponte, Mans, Di Sisto, & Van De Pas, 2014).
[24] (Quality and Qualifications Ireland, 2019).
[25] (Expert Group on Future Skills Needs, 2018).
[26] (McNaboe, et al., 2018, p. 77).

Recommendation 10:
(12) Relieve the skills shortage in home care by including HCAs on the Critical Skills List

Department of Employment Affairs and Social Protection

Social Welfare

Home care in Ireland is experiencing a skills shortage which is seriously limiting its capacity to meet demand. This is partially due to social welfare rules which discourage many carers from taking shifts and which increase dependence on DEASP income supports. This is unfortunate given the relevance of the situation to Goals 5, 6, 9 and 12 of the *Updated National Action Plan for Social Inclusion*,[27] and that a function of the Department is to "design, develop and deliver effective and cost-efficient income supports, activation and employment services".[28] HCCI believe this can resolved to the mutual benefit of all with a stake in home care services.

Many HCCI members report that a sizeable number of carers provide home care services on a part-time basis whilst in receipt of social welfare payments. The HSE is the primary commissioner of home care services through its national tender process, the most recent of which was in 2018. Through its commissioning practices, the HSE provides for home care services in 30-minute blocks to clients, with a typical home care package being 2 hours of care per day for 3 or 4 days per week. When the HSE commissions a package, unless the client decides to pay for additional home care hours from private funds, the package must be delivered in the hours approved by the HSE.

Packages are also commissioned per client demand. This means that, although every effort is made to roster a home care worker in an efficient manner, it often proves difficult to achieve. Below we outline a typical scenario for a home care worker in receipt of social welfare payments who would choose to provide home care.

Scenario A:

- Home care worker provides 2 hours of care per day Monday through Wednesday, and a 1 hour call on Thursday for a total of 7 hours care per week
- Home care worker wages is €91 (7 x €13 per hour)
- Home care worker is subject to social welfare penalty of €33 per day worked, for a total penalty of €132
- The effect of working, therefore, would be a cost to the home care worker of €41.

This scenario, common in the home care industry, means that there is no financial incentive for the many home care workers on social welfare for providing much needed care. Those that do provide care do so despite the financial penalties. As a result, the many home care workers on social welfare who decide not to provide home care services remain reliant on social welfare payments for their income leading to a €198 per week cost to government.

[27] Goal 5 (Labour Market Activation) and Goal 6 (Welfare to Work) fall under the broader goal of supporting working age people and people with disabilities to increase employment and participation. Goal 9 (Community Care) states "continue to support older people to live in dignity and independence in their own homes and communities for as long as possible". Goal 12 (Primary Healthcare) states (develop primary care services in the community which will give people direct access to integrated multi-disciplinary teams".
[28] (DEASP, 2016).

A proposed solution is to change the rules for home care workers claiming social welfare benefits, whereby deductions are made according to hours worked rather than days:

Band	Hours Worked Per Week	Social Welfare Deduction
A	0-7 hours	€33
B	7-14 hours	€66
C	14-21 hours	€100
D	21-28 hours	€133
E	29-35 hours	€165
F	35-42 hours	€198

This taper system would end the current rules that penalise a social welfare recipient a full day's social welfare payment for working merely 30 minutes in a day – as we have explained is driven mostly by the HSE packages awarded to HCCI members. We have outlined how this would change Scenario A in Scenario B, below:

Scenario B:

- Home care worker provides 2 hours of care per day Monday through Wednesday, and a 1 hour call on Thursday for a total of 7 hours care per week
- Home care worker wages is €91 (7 x €13 per hour)
- Home care worker is subject to social welfare penalty according to the new banded system, so in this case a Band A penalty (€33)
- The effect of working, therefore, would be a benefit to the home care worker of €58.

In this scenario, the Government will pay less in social welfare payments to the recipient – in this case it would pay €165 to the person rather than €198. In addition, the recipient would make up the shortfall in social welfare payments through their wages and receive a total of €256 per week.

Recommendation 11:

(13) Support the activation of home care workers claiming social welfare benefits, by tapering deductions based on hours worked rather than days.

Department of Employment Affairs and Social Protection, and Department of Finance

Pensions and Tax Credits

There is a serious capacity shortage in home care. At the same time, HCCI recognises that there are many people in villages and towns all around the country who want to give up a small number of hours each week to formally assist the elderly, but are deterred from doing so due to the deductions they will receive in their pensions. Reversing this situation has been raised as one potential element of a creative solution to the capacity shortage by Senator Marie-Louise O'Donnell in Seanad Éireann.

There are various options available to the DEASP and the DoF which could facilitate people who want to give some formal help, to people they know are in need, to help them maintain the freedom to age with dignity in their own home for as long as possible. A non-exhaustive list of potential options are listed below:

Option 1: Income Tax (PAYE) Exemption Limits

Increasing the Income Tax exemption for over 65's by €1,000 per year to €19,000 would allow them, if they choose, to carry out up to 9 hours of paid care per week (at €13 per hour) without breaching the tax exemption threshold.

Option 2: Marginal Relief

For those over 65 whose income exceeds the exemption limits, reduce the tax due under marginal relief from 40% to 30%.

Option 3: State Pension Non-Contributory

Increasing the disregardable income limit when means-testing for non-contributory state pensions from €200pw to €250pw would allow those receiving a non-contributory state pension to increase their working hours, if they choose, from 15 to 19 hours per week (at a pay rate of €13 per hour).

Option 4: Age Tax Credit

Doubling the Age Tax Credit from €245 to €490 for a single/widowed person and from €490 to €980 for a married/civil partnership couple, would allow those over 65 to provide an extra 18 hours of paid care work (at €13 per hour) a year, if they choose.

The above options are only a sample of possible solutions which don't necessarily have to be costly, but which are creative enough to incentivise and reward older people in receipt of pensions who wish to provide paid care. As raised by Senator Marie-Louise O'Donnell, this cohort have a vast array of resources and skills to offer. Our aim should be to facilitate this to the greatest extent possible.

Recommendation 12:

(14) Examine the various pension and tax credit-related options available, to determine ways in which people in receipt of pensions and who want to formally assist in home care work may be facilitated to do so.

Conclusions

Home care is a highly demanded health and social care service which enables thousands of people across Ireland to avail of the freedom to live at home for as long as possible. There is a wealth of evidence documenting home-based care as a cost and clinically effective intervention. However, budget constraints and competing national demands have tended to restrict the ability of the state to meet the demand for home care, leading to additional strain on over-burdened acute care settings.

Demand will continue to increase in the short and long-term, necessitating an accelerated growth in funding and capacity. The cost of not meeting demand will be an unsustainable healthcare system which struggles to meet the needs of the population.[29] HCCI wish to partner with all relevant stakeholders to find workable, sustainable and mutually beneficial solutions. The potential rewards are an improved quality of care, a more efficient and fulfilled workforce, and significant cost-savings in more expensive acute and residential healthcare settings. Achieving this will require a co-ordinated, whole-of-government response and engagement between stakeholders.

[29] (Department of Health & PA Knowledge Ltd., 2018).

Appendix 1 – Calculating Workforce Requirements in 2020

We have estimated, based on the available data, that providing a full level of service provision in public home care in 2020 would require 24m home support hours. This in turn would require a minimum full-time equivalent workforce[30] of 14,286 care workers. However, this figure assumes a perfectly efficient workforce and is likely to be an underestimate. It does not account for part-time staff, travel time from one client to another, sick leave, or turnover rates in staff from year-to-year.

We provide a more detailed breakdown of the minimum headcount requirement of care workers by considering part-time staff, turnover rates and the distribution of staff across different providers.

Service Provider[31]	Current Staffing Level	Current Full-Time Equivalent Number	Full-Time Equivalent Requirement (by 2021)	Turnover Rates	Headcount Requirement (by 2021)	Total Extra Carers Needed (by 2021)
HSE[32] **(50%)**	Full-Time Equivalent: **5,419** Headcount: **6,282**	1.16	7,143	4.5%	8,659	Full-Time Equivalent: **1,724** Headcount: **2,377**
Private/HCCI[33] **(30%)**	Full-Time Equivalent: **3,048** Headcount: **9,373**	3	4,286	*Unknown.*	12,858	Full-Time Equivalent: **1,238** Headcount: **3,485**
Voluntary **(20%)**	*Unknown.*	*Unknown.*	2,857	*Unknown.*	*Unknown.*	*Unknown.*

Clearly there are data limitations in the table above. HSE figures are based on 2017 workforce data but are the only figures where it was possible to consider staff turnover rates. It was not possible to find publicly available workforce statistics for contracted voluntary providers and several assumptions also had to be made for the data relating to the contracted private providers.

Nevertheless, the statistics suggest that by 2020, the HSE and private sector capacity alone will have to expand by 2,962 full-time equivalent care staff, with a further unknown increase among voluntary providers. That is equivalent to a 35% growth rate in workforce capacity, requiring a headcount of 5,862 care staff.

[30] Calculations are based on a 35-hour working week, 48 weeks of the year (considering a minimum of 4 weeks annual leave per year) for each staff.

[31] The HSE have estimated a service provider mix for public home care of 50% provided directly by the HSE, 30% provided by private providers and 20% provided by voluntary providers (Healy, 2018).

[32] The HSE's current staffing levels are based on 2017 OECD figures as these are the most recent publicly available for both full-time equivalent staff and a headcount of staff. HSE turnover rates are similarly based on 2017 data.

[33] The HSE have estimated that 30% of public home care services are provided through contracted private providers. Results from HCCI's first *Annual Curám Baile Survey* suggest that roughly 90% of this is provided by HCCI members. Therefore, for the purpose of simplifying the analysis we have equated contracted private providers with HCCI members. The *Annual Curám Baile Survey* further shows that 69% of the home support hours supplied by HCCI members are public, compared to 31% private. We assume that the workforce is distributed along those lines also, meaning a headcount of 9,373 HCCI carers dedicated to public home care.

References

Care Alliance Ireland. (2018). *Briefing Paper 2: Public Provision of Home Care in Ireland - Update .* Dublin: Care Alliance Ireland.

Colombo, F., Llena-Nozal, Mercier, J., & Tjadens, F. (2011). *Help Wanted?: Providing and Paying for Long-Term Care.* Paris: OECD.

Costa-Font, J., Jimenez-Martin, S., & Vilaplana, C. (2017). Does Long-Term Care Subsidisation Reduce Hospital Admissions? *CESifo Working Paper No. 6078*, pp. 1-52.

Cullen, K., & Keogh, F. (2018). *Personalised Psychosocial Supports and Care for People with Dementia in the Community: Investigation of the Value Case.* Dublin: Genio.

De Ponte, G., Mans, L., Di Sisto, M., & Van De Pas, R. (2014). *Health Workforce Shortages and International Mobility in the EU.* Health Workers for All. Retrieved June 12, 2019, from https://www.wemos.nl/wp-content/uploads/2016/06/HW4All_synthesis_report_2014_03.pdf

DEASP. (2016). *How We Work.* Retrieved June 13, 2019, from Department of Employment Affairs and Social Protection Website: http://www.welfare.ie/en/Pages/How-we-work.aspx

Department of Education and Skills. (2018). *National Training Fund Expenditure Report 2018.* Dublin: Department of Education and Skills.

Department of Health & PA Knowledge Ltd. (2018). *Health Service Capacity Review 2018: Review of Health Demand and Capacity Requirements in Ireland to 2031 - Main Report.* London: PA Consulting .

Department of Health. (2018a). *Health in Ireland: Key Trends 2018.* Dublin: Government of Ireland.

Department of Health and Children. (2009). *Evaluation of Home Care Packages.* Dublin: Department of Health and Children and PA Consulting.

EPS Consulting. (2013). *The Business Case for the Outsourcing of Home Care Provision and a More Efficient Use of Fair Deal Funds.* Dublin: HCCI.

Expert Group on Future Skills Needs. (2018). *Digital Transformation: Assessing the Impact of Digitalisation on Ireland's Workforce.* Dublin: National Skills Council.

Government of Ireland. (1968). *The Care of the Aged: Report of an Inter-Departmental Committee on the Care of the Aged, 1968.* Dublin: Government Publications.

HaPAI. (2016). *Positive Ageing 2016: National Indicators Report.* Dublin: Department of Health.

HaPAI. (2018). *Positive Ageing Indicators 2018.* Dublin: Department of Health.

Health Information and Quality Authority. (2017b). *Exploring the Regulation of Health and Social Care Services: Older People's Services.* Dublin: HIQA.

Health Service Executive. (2018a). *National Service Plan 2019.* Dublin: HSE.

Mazars. (2016). *Activity & Resource Review: Home Care Services .* Dublin: HSE.

McNaboe, J., & Hogan, A. (2018). *Vacancy Overview 2017: A Report Produced by the Skills and Labour Market Research Unit (SLMRU) in SOLAS.* Dublin: SOLAS.

McNaboe, J., Burke, N., Walls, D., Condon, N., Hogan, A., Shally, C., & Wowczko, I. (2018). *National Skills Bulletin 2018.* Dublin: National Skills Council.

NHI. (2019). *High performance sports sectors are now a bigger priority than healthcare*. Retrieved June 12, 2019, from Nursing Homes Ireland Website: https://nhi.ie/high-performance-sports-sectors-are-now-a-bigger-priority-than-healthcare/

Oliver, D., Foot, C., & Humphries, R. (2014). *Making our Health and Care Systems Fit for an Ageing Population.* London: The Kings Fund.

O'Shea, E., & Monaghan, C. (2016). *An Economic Analysis of a Community-Based Model for Dementia Care in Ireland: A Balance of Care Approach.* Galway: National Centre for Social Research on Dementia.

PA Consulting Group. (2009). *Analysis of Irish Home Care Market.* Dublin: Irish Private Home Care Association.

Phelan, A., Duggan, A., Fealy, G., & O'Donnell, D. (2018). *An Evaluation of the Consumer Directed Home Care Pilot Project in Community Healthcare Organisation 3.* Dublin: Health Service Executive.

Quality and Qualifications Ireland. (2019). *Statistics*. Retrieved June 10, 2019, from Quality and Qualifications Ireland Website: https://qsearch.qqi.ie/WebPart/Search?searchtype=statistics

Smith, S., Murphy, E., Hannigan, C., Dinsmore, J., & Doyle, J. (2019). Supporting Older People with Multimorbidity: The Care Burden of Home Health-Care Assistants in Ireland. *Home Health Care Services Quarterly*, 1-15. doi:10.1080/01621424.2019.1614506

Tomita, N., Yoshimura, K., & Ikegami, N. (2010). Impact of home and community-based services on hospitalisation and institutionalisation among individuals eligible for long-term care insurance in Japan. *BMC Health Services Research, 10*(345).

Willcox, S., Seddon, M., Dunn, S., Edwards, R., Pearse, J., & Tu, J. (2007). Measuring and Reducing Waiting Times: A Cross-National Comparison of Strategies. *Health Affairs, 26*(4), 1078-1087.

Contact Details

Joseph Musgrave
Chief Executive Officer, HCCI
Tel: 086 796 1800
josephmusgrave@hcci.ie