Home and Community Care Ireland – Presentation to the Joint Oireachtas Committee on Jobs, Enterprise and Innovation

‘Planning for future demand in the home care sector’

Chairman, Members of the Committee, thank you very much for the invitation to appear before the Committee to outline to you the current situation in relation to the home care sector in Ireland and also highlight to the Committee the challenges and opportunities facing the sector.

In this paper we will cover:
- Who we are
- What the home care industry looks like now
- Potential for the future
- The challenges and opportunities for achieving that growth

Home care is defined as support provided to people who require assistance to continue to live independently, outside of a hospital or residential care setting. This can be over a short term period to recover from an operation, or for an extended period of time. The types of duties associated with this type of care can range from preparing meals and helping clients to wash and dress to more intensive palliative care support.

While there is no formal regulation of the sector (and this is something that Home and Community Care Ireland continues to advocate for) there are FETAC training qualifications which are appropriate for home care workers. All HCCI member company employees are trained to a FETAC Level 5 qualification.

Who we are: Home and Community Care Ireland
Home and Community Care Ireland (HCCI) is a national organisation representing 25 private home care providers employing over 6,000 staff in every town, county and rural location in Ireland and contributing over €36M to the Irish economy each year. HCCI’s primary objective is to promote the highest professional standards of care in the home and client choice, in a cost effective manner. Providing care to over 8,500 clients in their own homes throughout Ireland, the HCCI is playing an important role in the development of the home care sector – an integral part of the Government’s stated policy of developing the primary care sector.

We welcome the opportunity to appear before the Jobs committee given the serious challenges affecting the country, an ageing population and reduced state investment in healthcare. As Government seeks to implement more cost effective care solutions, increased investment will be required from outside sources, including the private sector, to ensure sustainable levels of investment in technology and people. HCCI believe that increased transparency and a regulatory system that is reflective of the nature of the sector are essential to attract investors and create more jobs.
The Home Care Industry
There are currently approximately 40,000 people employed in the home care sector (including private, HSE and not for profit care organisations) in Ireland providing care to c.70,000 people. Home care is provided in a number of ways by private providers, Not-for-Profit organisations, the HSE directly and individuals operating on the black market. The types of care include directly secured private provision, or State-funded home care, which falls into two schemes – Home Help and Home Care Packages. Home helps account for €195 million each year and are provided directly by the HSE or Not- for-Profit section 39 organisations. The private sector is not allowed to tender for this work. Home Care Packages account for €127 million each year and this is provided by section 39 organisations and private providers. Directly secured private provision in the formal sector accounts for c. €20-25M each year.

The sector is currently unregulated and comprises formal and informal care provision.

Formal care
There are currently c.70,000 people receiving formal care, in which carers are employed to provide assistance along clear contractual guidelines. Some 22,000 HSE staff are currently employed as home helps providing 70% of all home help services. Government funded (s.39) Not-for-Profits employ c. 10,000 carers and account for some 18% of the current market. Private companies provide the remaining c. 12% employing over 6,000 staff. In addition private companies are employed directly by families.

Informal care
Informal care, provided by family members, neighbours, or the ‘black market’, accounts for some 9.9% of the present population over 65 (c. 52,965 people) with 8.8% (c. 47,080 people) receiving relatively intense daily or all-day informal care. Co-habiting family members provide 78% of recipients’ intensive care, with 51,666 informal family carer’s receiving carer’s allowance and an additional 1,637 in receipt of carer’s benefit, at a cost of €762m in 2011.

An important point to note about the ‘black market’ in home care, is that it is not as we traditionally understand, with murky dealing happening in the back of vans. Black market home care is often provided by people with the best of intentions - friends, relations and neighbours trying to do what they believe is the right thing. However, there is also the ‘cash in hand’ side of the business, where advertisements are answered by unknown people, with unknown qualifications. There are a large number of carers operating on the black market on a-cash-in-hand basis. The issues for either type of care are significant. Black market carers are not paying taxes or properly trained or insured, leaving many people in vulnerable situations in the event of an issue arising.
Potential for the future: Job creation potential

Demand for home care is set to increase dramatically over the next decade. In Ireland, there will be a 54% increase in the number of people over 65 over the period 2011 to 2025 with in excess of 320,000 additional older people who may require care services. Projections estimate that 75,000 people may seek to avail of home help services by 2021, with 14,250 Home Care Packages required in the formal sector.

An independent report commissioned by HCCI in March 2013 has indicated the potential to create a further 8,600 jobs by 2021 purely through the reform of the sector. This would entail reviewing how Not-for-Profit s.39 funding is allocated and a review of the funding of services for older people and overhauling the current silos in budgets between home care and the Fair Deal Scheme, as this has the potential not only to create thousands of jobs, but also to provide the preferred type of care to countless thousands of people in the most cost-effective manner available.

Key findings included:

- More people are going to need support as our elderly population increases. Between now and 2021 the number of people over 65 is set to rise to nearly 800,000 – a 40 per cent increase on 2006 levels;
- As the population grows, more elderly people will require support and dependency rates are projected to increase from current levels at 16% to over 24% by 2021;
- The current cost of HSE/ Section 39 delivered home help services is 30 per cent more expensive than private sector rates;
- Savings of €117m per annum could be achieved if all home help and HCP provision was outsourced to private providers;
- An additional saving of €256m per annum could result if 30 per cent of current patients with low to medium dependency under the Fair Deal Scheme (deemed potentially suitable for homecare but currently occupying more expensive residential places) were provided with 21 hours of intensive care at home under an enhanced HCP;
- Cumulative savings of €2bn could be achieved over the next 8 years to 2021 in line with phased outsourcing and an end to the ring-fencing of one type of care over another as proposed.

The reason we are approaching the Oireachtas Committee with responsibility for Jobs, Enterprise and Innovation is because an innovative approach to how we plan for an inevitable increase in demand set to come will increase exponentially the opportunities for enterprise at a truly local and national level across the country.
Challenges and opportunities for growth

1. **HSE Tender for Home Care Provision**

The HSE is expected to publish a new tender for home care provision in the coming months. The current tender for outside services applies only to any additional requirements over and above current demand for Home Care Packages. By opening up the tender to encompass all types of care provided in the home, Home Help and Home Care Package hours, this presents an opportunity for the Government to achieve increased value for money with up to **€117 million saving per annum immediately in 2014**. Opening up the tendering of work undertaken by s.39 companies alone (currently 18% of the market) has the potential to create up to 500 additional jobs immediately as part of the additional care that would be possible to provide through the money saved via increased efficiencies.

HCCI is currently engaged with the HSE, Department of Health and the Department of Public Expenditure and Reform on the opportunity presented by a more open and transparent commissioning of services which could be facilitated by the planned tender.

We encourage you to engage with your respective colleagues on the Health committee to ensure that the opportunity to create jobs in every parish and town in Ireland is not missed.

2. **Fair Deal Scheme Review**

The Fair Deal Scheme, which provides a funding mechanism for people to receive residential care in nursing home situations, currently provides places for 22,761 people and costs €998 million per annum. There are currently significant numbers awaiting approval for their application for the Fair Deal Scheme. While for many cases where there is a significant dependency, residential care is undoubtedly the most appropriate option for people, there is a significant portion of people currently in a nursing home who with the right support could be cared for in their own homes as is the preference of the vast majority of the population. Some 12.8% of those availing of the Fair Deal are classified as ‘low maintenance’ with a further 22.3% in the ‘medium maintenance’ bracket; some 7,600 people. A reasonable working assumption is that one third of Fair Deal patients would be better off in terms of well-being by remaining at home until dependency requirements increase and avail of an enhanced Home Care Package.

In addition to being the preference of most people, it is a much more cost-effective way to care for people. The cost of providing people with low/medium dependencies with an enhanced HCP of 21 hours per week compared to full time nursing care under the Fair Deal Scheme could save €159m per year and create up to 700 jobs in the community.

There is currently a review underway of the way in which the Fair Deal Scheme operates. HCCI has made a submission to the Fair Deal Scheme review calling for flexibility in the way in which FDS funds can be allocated to include community as well as residential care options. We have engaged with Oireachtas Health Committee members, the HSE and Department of Health on this matter.

Whilst we are aware the decision for this does not come under the direct remit of this Committee, any changes in the procurement of care will have an undoubted impact on the potential for job creation at a local and regional level, which will have knock-on positive impacts for the local economy. We encourage you to engage with your health committee colleagues and the Minister of State with responsibility for Disability, Older People, Equality & Mental Health on this employment opportunity.
3. Regulation & Professionalisation
The home care sector is currently unregulated with Government regulation unlikely to be implemented until 2016. In the interim, HCCI has dedicated considerable resources to ensure that all members undertake best practice recruitment, supervision and training procedures for all employees. This includes Garda vetting, induction training, supervision and activity logs, as well as continued professional development. This is unfortunately not the case for other care providers in the sector. RTÉ’s Prime Time Investigates has on a number of occasions over the past years exposed the vulnerable position older people are put in in the absence of a robust regulatory supervision regime.

The professionalisation of home care is a key HCCI objective to ensure that trained, motivated staff are given access to career development. Increased regulation and professionalisation is also important to ensure high standards of care and could act as a barrier to black market workers/ fly-by-night operators. HCCI has engaged with the HSE, Department of Health, Minister of State for Older People and Health Committee Members on this issue. In the context of the Jobs Committee we ask that you recognise the role that regulation and professionalisation can play in developing the home care market as a desirable career, offering flexible working patterns across every community in Ireland.

4. Live-in care
Live-in care is an invaluable service offered by HCCI members directly employing nearly 400 carers and enabling 150 clients across every county in Ireland to continue to live at home. HCCI members’ ability to continue to offer this service is at risk due to unintended consequences of EU employment legislation under the Working Time Directive.

While there is on-going review of the Working Time Directive at a European level regarding the accrual of rest periods and definitions of “on-call time” and “sleeping hours”, State and private home care employers in Ireland are subject to the Working Time Act 1997 and National Minimum Wage Act 2000, which upon strict interpretation preclude affordable live-in care.

If the current regulatory system is not updated to take account of the specific nature of the home care sector, some HCCI members may be forced to close operations all together, with a loss of jobs and home care service provision. Failure to address this issue will also force clients to employ black economy workers for their live-in needs at considerable risk to the patient and lost revenue to the state.

HCCI has engaged with NERA and Department of Jobs, Enterprise and Innovation Officials on this issue and are committed to working with the relevant bodies to find a workable solution to ensure that worker’s rights are protected and vulnerable clients have access to an affordable service enabling them to remain in their own homes for as long as possible.

This care is often delivered in a palliative care setting and in addition to being the preferred option for the majority of patients, is significantly more cost-effective than the residential or hospital setting alternatives.

We would very much appreciate any support the Oireachtas Committee on Jobs, Enterprise and Innovation could give us in recognising the importance of updating the current regulatory system around live-in care to ensure that jobs are safeguarded and that vulnerable elderly who are often in
their final months of care are not forced to access the black market for affordable care to remain at home.

**Conclusion**

We are very grateful for the opportunity to appear before the Committee, and are grateful for your time in considering the points we have put to you. While many of the issues we outlined to you today do not come under your specific remit, we very much appreciated the session so we could outline the current situation in a sector that is significant but often overlooked in context of the debate on job creation and sustainable development.

In sum, we believe that with a more transparent and flexible approach to assessment and funding of care for older people, the Government has the opportunity to transform the way in which care is provided to older people in Ireland, and bring in significant efficiencies and cost savings. Regulation of the sector and clarity around live-in care could also help to discourage black market providers to the benefit of patients and the economy contributing to increased PRSI and tax income.

Demand in the home care sector is growing apace, and this will only continue in the years ahead as our population of older people increases. Supply is currently hamstrung by issues around regulation and the allocation of funds. Promoting enterprise-friendly initiatives, while at the same time demanding the highest standards from care providers, will enable the sector to meet the needs of the population in a cost-effective manner in the years ahead. The job opportunities available as part of this growth will be fit for purpose for the times we live in. These are flexible jobs, in local communities around Ireland, which are well-placed to support those who may have challenges in a traditional full-time position to participate in the labour market.