

BDO Corporate Finance Healthcare

Analysis of The National Treatment Purchase Fund (NTPF) Agreed Private & Voluntary Nursing Home Fair Deal Rate (FDR) Change in December 2020

Introduction

Every month, the HSE releases an update on the prevailing FDR for private & voluntary nursing homes operating under the Fair Deal Scheme across the country. This is the maximum price per week agreed between the nursing home and the HSE under the nursing home support scheme, providing an insight into not only the highest and lowest rates being achieved but also into the changes occurring on a monthly basis for each individual private nursing home.

Nursing homes under the Fair Deal Scheme allows for residents to pay only a portion of their cost of care and the remaining is paid by the HSE to the nursing home.

For the past number of years, our Healthcare team in Corporate Finance has analysed these changes, noting trends and patterns on a county by county basis and an all country basis. We have prepared this report to highlight the changes between September and December 2020, assisting operators and healthcare providers across the country.



BDO's Healthcare Team provides the following Corporate Finance Services:

- Development financing and restructuring
- Financial due diligence
- Rescue, recovery & turnaround
- Mergers & acquisitions
- NTPF negotiations

If you would like to seek advice on taking action from this report, BDO's Corporate Finance Healthcare team can assist you.

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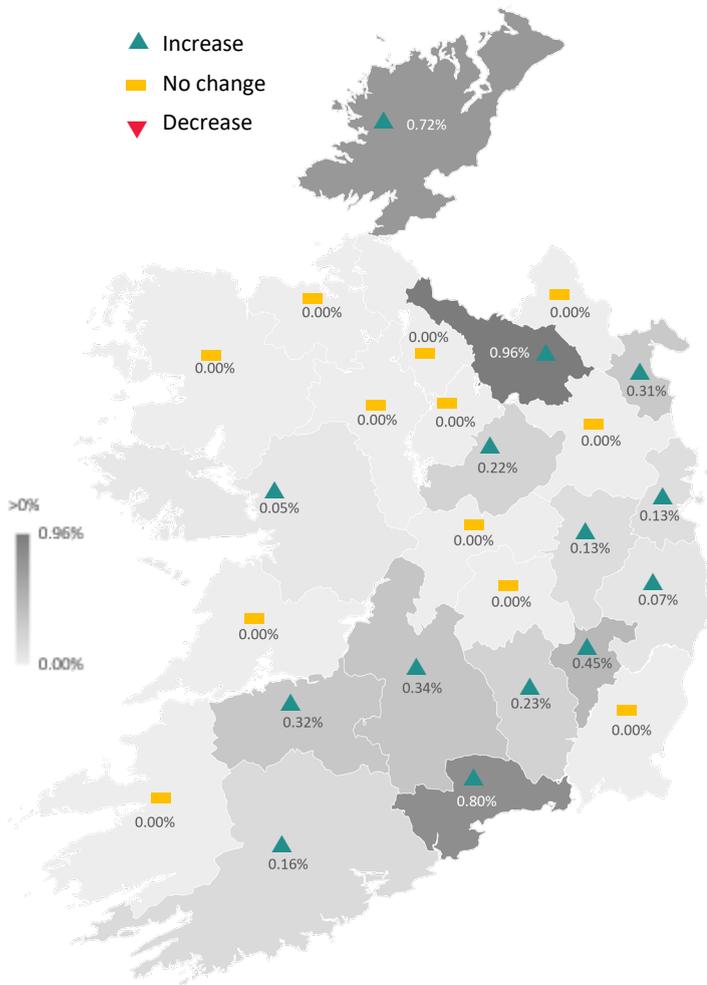


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Analysis of The NTPF Agreed Private Nursing Home Fair Deal Rate (FDR) Change in September 2020

Our previous report, demonstrating the FDR changes between June and September 2020, is available [here](#).

NTPF weekly rates: Average quarterly % change (September/December)

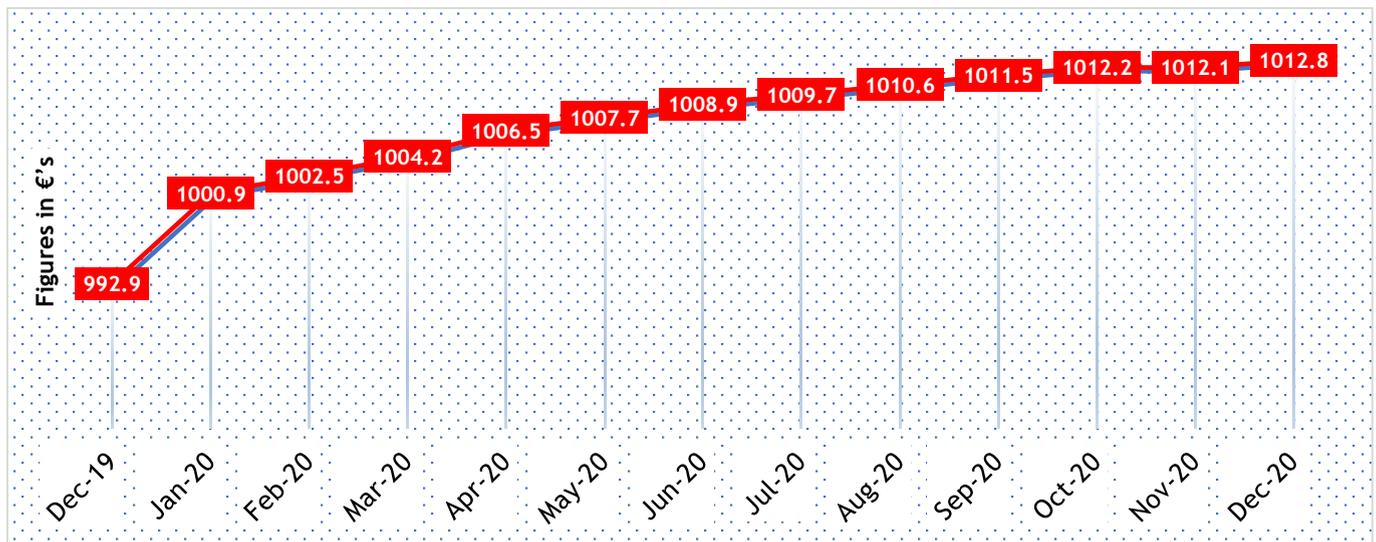


FDR in September 2020 vs December 2020

This map shows the quarterly average % change in agreed NTPF Fair Deal Rates by county in December compared to the rates in September of voluntary and private nursing homes:

- The FDR changes are a result of successful negotiation between individual nursing homes and the NTPF to agree on maximum price that the nursing home charges under the nursing home support scheme on a weekly basis.
- County average weekly rate has increased by 0.13% from €1,011.48 in September to €1,012.79 in December 2020.
- 12 counties showed no change in average rates compared to September NTPF weekly rates.
- 14 counties showed an increase in the weekly average NTPF rate in December compared to September with the highest rate increase in Cavan of 0.96% where the average rate increased from €971.4 to €980.7.
- Lowest recorded increase was 0.05% in Galway where the average weekly rate increased from €915.2 in September to €915.7 in December.
- There was one additional nursing home which opened in Tipperary and one nursing home closure in Wicklow during this period.
- The graph below shows the weekly rates of the previous 12 months – in Oct-20 and Nov-20 there was no reduction in weekly rates in any nursing home.
 - However, we note that the FDR of two homes was not included in the issue for that particular month.

Last 12 months country average weekly FDR increases for private & voluntary nursing homes in Ireland



NTPF weekly rates

County	Sep-20	Dec-20		% Change	Dec-19	No. of Nursing Homes			
						Sep-20	Dec-20	Change	
Carlow	935	939	↑	0.45%	911	6	6	→	-
Cavan	971	981	↑	0.96%	951	7	7	→	-
Clare	910	910	→	0.00%	892	12	12	→	-
Cork	1,014	1,015	↑	0.16%	994	47	47	→	-
Donegal	899	905	↑	0.72%	877	14	14	→	-
Dublin	1,199	1,201	↑	0.13%	1,179	88	88	→	-
Galway	915	916	↑	0.05%	895	36	36	→	-
Kerry	916	916	→	0.00%	895	17	17	→	-
Kildare	1,074	1,075	↑	0.13%	1,059	21	21	→	-
Kilkenny	961	963	↑	0.23%	940	9	9	→	-
Laois	980	980	→	0.00%	969	4	4	→	-
Leitrim	940	940	→	0.00%	920	2	2	→	-
Limerick	922	925	↑	0.32%	899	22	22	→	-
Longford	947	947	→	0.00%	923	3	3	→	-
Louth	1,024	1,027	↑	0.31%	1,010	8	8	→	-
Mayo	921	921	→	0.00%	898	18	18	→	-
Meath	1,035	1,035	→	0.00%	1,017	18	18	→	-
Monaghan	980	980	→	0.00%	960	5	5	→	-
Offaly	925	925	→	0.00%	900	6	6	→	-
Roscommon	910	910	→	0.00%	886	11	11	→	-
Sligo	1,023	1,023	→	0.00%	1,006	6	6	→	-
Tipperary	918	921	↑	0.34%	896	24	25	↑	1
Waterford	972	980	↑	0.80%	954	9	9	→	-
Westmeath	914	916	↑	0.22%	893	10	10	→	-
Wexford	929	929	→	0.00%	907	15	15	→	-
Wicklow	1,075	1,076	↑	0.07%	1,057	19	18	↓	-1
County Average	1,011	1,013	↑	0.13%	992	437	437	→	-

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Source of Information
Health Service Executive(HSE) :

<https://www.hse.ie/services/fair-deal-scheme/about-the-fair-deal-scheme.html>