

BDO Corporate Finance Healthcare

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

Introduction

Every month, the HSE releases an update on the prevailing FDR for private 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, 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 FDR 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 now prepared this report, the first of what will be a quarterly series, to highlight these changes, 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

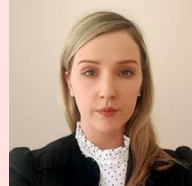
If you would like to seek advice on taking action from this report, **BDO's Corporate Finance Healthcare** team can assist you, contact us on (061) 464 822 or email:



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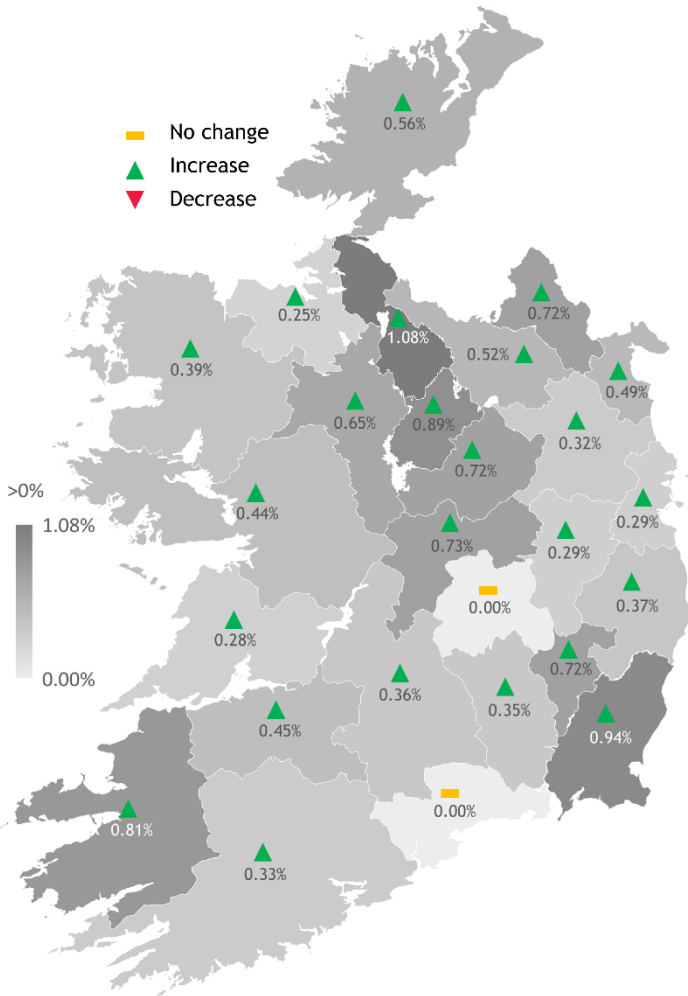


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NTPF weekly rates: Average quarterly % change (June/September)

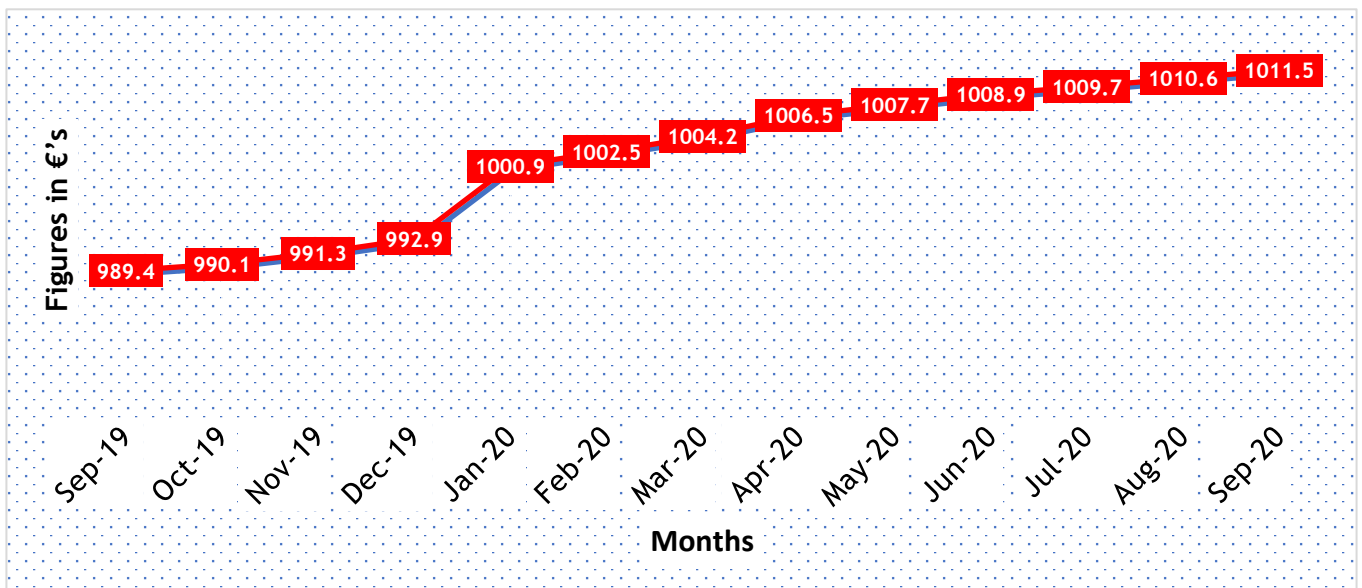


FDR comparison June vs September 2020

This map shows the quarterly average % change in NTPF rates by county in September compared to the rates in June:

- 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 on a weekly basis.
- County average NTPF weekly rate has increased by 0.4% from €1,007.50 in July to 1,011.48 in September 2020.
- Waterford & Laois showed no change in average rates compared to June NTPF rates.
- 24 counties showed an increase in the weekly average NTPF rate in September compared to August with the highest rate increase in Leitrim of 1.08% where the average rate increase from €930 to €940 compared to previous month. Lowest recorded increase was 0.25% in Sligo where the average weekly rate increased from €1,020 in July to €1,022.50 in September.
- There was no change in the no. of nursing homes during this period except for Co. Wicklow where Bray Manor nursing home was not included in September NTPF rates.

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



NTPF weekly rates

County	Jun '20	Sep '20		% Change	Sep '19	No. of Nursing Homes			
						Jun '20	Sep'20	Change	
Carlow	928	935	↑	0.72	908	6	6	→	0
Cavan	966	971	↑	0.52	951	7	7	→	0
Clare	908	910	↑	0.28	892	12	12	→	0
Cork	1,010	1,014	↑	0.33	992	47	47	→	0
Donegal	894	899	↑	0.56	875	14	14	→	0
Dublin	1,196	1,199	↑	0.29	1,178	88	88	→	0
Galway	911	915	↑	0.44	892	36	36	→	0
Kerry	909	916	↑	0.81	889	17	17	→	0
Kildare	1,071	1,074	↑	0.29	1,057	21	21	→	0
Kilkenny	957	961	↑	0.35	937	9	9	→	0
Laois	980	980	→	0.00	969	4	4	→	0
Leitrim	930	940	↑	1.08	920	2	2	→	0
Limerick	918	922	↑	0.45	896	22	22	→	0
Longford	938	947	↑	0.89	923	3	3	→	0
Louth	1,019	1,024	↑	0.49	1,009	8	8	→	0
Mayo	917	921	↑	0.39	897	18	18	→	0
Meath	1,032	1,035	↑	0.32	1,017	18	18	→	0
Monaghan	973	980	↑	0.72	960	5	5	→	0
Offaly	918	925	↑	0.73	900	6	6	→	0
Roscommon	905	910	↑	0.65	884	11	11	→	0
Sligo	1,020	1,023	↑	0.25	1,003	6	6	→	0
Tipperary	914	918	↑	0.36	891	24	24	→	0
Waterford	972	972	↑	0.00	952	9	9	→	0
Westmeath	907	914	↑	0.72	888	10	10	→	0
Wexford	921	929	↑	0.94	900	15	15	→	0
Wicklow	1,071	1,075	↑	0.37	1,055	20	19	↓	-1
County Average	1,007	1,011	↑	0.40%	989	438	437	↓	(1)

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Source of Information

Health Service Executive(HSE) :

<https://www2.hse.ie/services/fair-deal-scheme/about-the-fair-deal-scheme.html>