

Nursing Home Support Scheme The Facts of Fair Deal

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Module 1

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What is Fair Deal?

- ▶ The 'Fair Deal Scheme' is an Irish Government scheme of financial support for people who need long-term nursing home care.
- ▶ An individual makes a contribution towards the cost of their care based on their own financial situation and the State pays the balance.

Three Assessments in the Application Process

- ▶ 1. Care Needs Assessment
- ▶ 2. State Support-Financial Assessment
- ▶ 3. Optional Step-Ancillary State Support-The Nursing Home Loan

Steps in the Application Process

- ▶ Gather financial information & complete form
- ▶ Submit financial form & documentary evidence to Nursing Home Support Office
- ▶ NHSO request Care Needs Assessment
- ▶ Care needs assessment is completed & submitted by team of healthcare professionals to determine if Nursing Home care is needed
- ▶ If care needs assessment is approved financial form is processed
- ▶ When financial form is approved applicant goes on a waiting list for funding to be released

Care Needs Assessment

- ▶ An assessment of care needs to determine if Nursing Home care is required.
- ▶ A team of healthcare professionals assess
- ▶ Being assessed in hospital v community
- ▶ Applicants wishes are taken into account including preference of Nursing Home
- ▶ The preferred Nursing Home must be registered with the scheme, must have a vacancy & must be able to meet the applicant's care needs

Financial Assessment

- ▶ Income-80%
- ▶ Any assets the applicant Assets-7.5% per annum
- ▶ Principal Residence-7.5% per annum capped at 3 years
- ▶ First €36,000 of assets is disregarded (€72,000 in the case of a couple)
- ▶ Assets signed over to someone in the 5 years prior to the application will be included in the financial assessment

Income

- ▶ 80% of the applicant's total income is paid towards the cost of their care.
- ▶ State pension
- ▶ Occupational pension
- ▶ Private pension
- ▶ Income from work
- ▶ Income from a rental property

Deductions

- ▶ Some health expenses
- ▶ Interest on a loan related to the principal residence
- ▶ Levies required to be paid by law eg Property Tax
- ▶ Maintenance paid to another person
- ▶ Allowable deduction in respect of a dependent child under 21 in full time education.
- ▶ Rent (if the applicant lives in a rented property).

Assets

- ▶ Any assets that the applicant owns are charged at 7.5% per annum for as long as they are in the Nursing Home.
- ▶ Savings
- ▶ Shares
- ▶ Property (other than the principal residence which is capped)
- ▶ First €36,000 of assets is disregarded
- ▶ Any assets signed over to someone else in the 5 years prior to their application will be included in the financial assessment

Principal Residence

- ▶ Current valuation
- ▶ Charged at 7.5% per annum
- ▶ This charge is capped at 3 years
- ▶ Shared ownership-applicant's share only that is assessed

Nursing Home Loan

- ▶ The loan is optional
- ▶ The loan allows the applicant to defer the 7.5% per annum charge on property so that they don't have to sell their home
- ▶ The loan is only available against property in the state that has no existing loan
- ▶ The 7.5% per annum charge on the family home is capped at 3 years, the loan allows the charge to be deferred for the applicants lifetime

Ms. Murphy, Single, House and Savings

- ▶ Income €270 per week.
- ▶ Savings €56,000
- ▶ House €250,000
- ▶ Income $€270 \times 80\% = €216$
- ▶ Savings $€56,000 - €36,000$ disregard $= €20,000$
- ▶ $€20,000 \times 7.5\% = €1,500/52 = €28.85$
- ▶ Principal residence $€250,000 \times 7.5\% = €18,750/52 = €360.58$
- ▶ Weekly contribution $€216 + €28.85 + €360.58 = €605.43/\text{week}$
- ▶ The cost of nursing home €1,000 per week.
- ▶ The HSE pays the balance of €394.57 per week.
- ▶ Without the loan weekly Ms Murphy's weekly contribution is €605.43 for the first 3 years & reduces to €244.85 for the remainder of her time in the Nursing Home
- ▶ With the Nursing Home Loan weekly contribution is €244.85 for as long as she is in the Nursing Home. The HSE's contribution is €755.15 (i.e. $€394.57 + €360.58 = €755.15$)

Assessment of Couples

- ▶ Assessment of couples
- ▶ Changes to legislation October 2021
- ▶ Capacity
- ▶ Care Representative
- ▶ Tax

Fair Deal Advice Contact

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