



CORPORATE AND COMMERCIAL

Establishment of a Financial Support Scheme for Nursing Homes During COVID-19

by **Marco Hickey, Peter O'Reilly**

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The recent announcement by the Irish Government of a series of financial measures to support nursing homes in tackling the spread of the COVID-19 outbreak is a welcome relief for those operating in the sector. We examine these financial supports in more detail below.

Background

The Financial Support Scheme (the Scheme) offers temporary assistance payments to support private and voluntary nursing homes in implementing measures to manage any COVID-19 outbreak that occurs.

A nursing home experiencing an outbreak of COVID-19 can apply for financial assistance of up to €75,000 a month for the months of April, May and June. The Scheme will be reviewed after the end of the first month's operation (April).

If all nursing homes take up the maximum allocation of funds, the Scheme will cost the State a total of €72 million.

The Details

The Scheme consists of two integrated parts:

1. Assistance for nursing homes subject to a standard threshold.

Each applicant nursing home receives funding for COVID-19 related measures and expected costs for the month ahead, the first of which is April. Such measures include the implementation of enhanced testing processes in nursing homes and changes to staffing and governance arrangements. The level of financial support available to a nursing home is based on the number of Nursing Home Support Scheme residents in situ as reported for the month of March by the HSE Nursing Homes Support Office.

Under the Scheme, a nursing home receives:

- €800 per resident per month for the first 40 residents;
- €400 per resident per month for the next 40 residents; and
- €200 per resident per month thereafter

2. Enhanced outbreak assistance business case.

When a nursing home incurs significant further costs or undertakes necessary enhanced actions arising

directly from a COVID-19 outbreak, as certified by the HSE, a separate business case for enhanced funding can be submitted.

The nursing home is required to submit evidence of the measures undertaken and the costs incurred, along with independent certification from an auditor that the expenditure was incurred and is directly related to COVID-19.

The maximum assistance available to an individual nursing home per month is the lesser of:

- twice that of the agreed monthly support (see 1 above); or
- a maximum amount of €75,000 inclusive of the monthly support.

Comment

Although the Scheme is a step in the right direction, it fails to take account of the significant financial burdens experienced by some nursing homes dealing with COVID-19 prior to 1 April 2020. The Scheme is less effective for nursing homes catering for large numbers of residents on the basis that the financial level of support available reduces as the number of residents increases.

It remains to be seen whether further supports will become available, depending on the severity of the COVID-19 outbreak.

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