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Na Seirbhísí Míchumais/An Rannán Cúram Sóisialta,
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5th May 2022

Deputy Pauline Tully,
Dail Eireann,
Leinster House,
Kildare Street,
Dublin 2.
E-mail: pauline.tully@oireachtas.ie

Dear Deputy Tully,

The Health Service Executive has been requested to reply directly to you in the context of the following parliamentary questions, which were submitted to this department for response.

PQ: 20456/22

To ask the Minister for Health the estimated capital cost of providing one-person-centred supported living residential home for people with a disability; and if he will make a statement on the matter.

PQ: 20457/22

To ask the Minister for Health the estimated staffing cost of providing one-person-centred supported living residential home for persons with a disability; and if he will make a statement on the matter.

PQ: 20458/22

To ask the Minister for Health the estimated operational non-staffing cost of providing one- person-centred supported living residential homes for persons with a disability; and if he will make a statement on the matter.

PQ: 20277/22

To ask the Minister for Health the cost of producing one residential place to support a young adult ageing out of Tusla services; and if he will make a statement on the matter.

HSE Response

Residential Services

Residential services make up the largest part of the Disability funding disbursed by the HSE – over 60% of the total budget of €2.2 billion in 2021.

Approximately 90 service providers provide residential services to over 8,000 individuals throughout the country. The bulk of these are provided by the 50 highest funded agencies (comprising both Section 38 & Section 39 organisations) – some 6,368 places, or 78%. The HSE itself provides 1,120 or 14% of the places. While 642 places or 8% are provided by Private-for-Profit agencies.



In the last number of years, the absence of planned, multi-annual residential investment, whereby new residential units would be funded to provide residential placements for up to 4 residents, has meant that residential placements have only been made on an emergency and single-placement basis to those persons with highest support need and therefore at significant cost.

With regard to the cost of providing one additional planned residential place, depending on the situation there may be both capital and revenue costs to be considered.

Capital

The average capital cost has been €166,000 per person for new build (excluding the site). The cost for purchase/refurbishment projects has averaged €136,000 per person. These are based in general on each house accommodating 3 to 4 four people.

Revenue

The revenue cost for a residential place can range between €150,000 - €282,000 on average per person, depending on the person's support needs. However, it should also be noted that about 10% of placements have a requirement for intensive supports and the average cost for these placements is €546,000

Revenue costs include all day-to-day running costs, including staffing, which generally accounts for approximately 85% of total revenue costs.

The average cost of producing a residential place to support a young adult aging out of Tusla services is circa €325k.

It is important to note that only average costs can be given as actual cost per residential placement varies significantly according to the needs and requirements of the individual service user.

As a dedicated improvement programme to respond to high cost residential placements, the HSE established the 'National Placements Oversight & Review Team'. Phase 1 of this programme involved an independent clinical review of existing high cost placements and which is now complete. HSE is now developing the next phase of the programme to coincide with reform of the sector more generally and the publication of the Capacity Review report.

Planned Residential Places

We can see from analysis of Residential Services that the cost of procuring Emergency Placements has increased significantly over the last few years. This is mainly due to the absence of multi-annual funding, which is forcing CHO's to procure new residential services on a single placement basis only at substantially higher cost than could be achieved through an appropriately commissioned multi-annual investment programme.

The pent-up demand for residential placements means that only the most extreme risk cases can be prioritised. With that comes added levels of complexity at greater cost, which is further exacerbated through procurement on a single placement basis.

The rationale behind the development of Planned Residential Services and the significant investment that this would entail is to commence a process that would stabilise residential requirements. This investment would see the development of additional services in each Community Healthcare Organisation. A tendering process, linked to multi-annual funding and the planned availability of housing in conjunction with relevant Government departments, will see the HSE move from being price takers to achieving a more responsive market with the best value being achieved. This approach will also facilitate a move away from individual bespoke arrangements which today can cost up to €600k per individual per annum to a community setting where 3 to 4 people with similar needs can be supported at a cost of €800,000 /€1,200,000 per annum.

In relation to supported living, there is wide variation in the range of funded support hours required for supported living arrangements. This depends on the level and type of disability, the extent of the person's



independent living skills & associated additional support needs, and the availability of informal and family supports. As such and based on available data from 2021, packages can vary from up to 20 hrs per week to full coverage of 168 hours per week in certain circumstances. Average cost per hour in 2021 was €25.

A Review of Disability Social Care Demand and Capacity Requirements up to 2032

The HSE welcomes the recent publication of the Department of Health's *Disability Capacity Review to 2032 A Review of Disability Social Care Demand and Capacity Requirements up to 2032*.

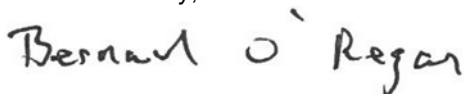
The capacity review provides detailed evidence of the extent of demographic and unmet need and provides detailed estimates of service and expenditure requirements for:

- residential care
- adult day services
- personal assistance and home support
- multidisciplinary therapies
- respite, and other community services and supports.

The capacity review emphasises the importance of a planned approach to meeting current and future requirements and the critical need for a multi-annual current and capital funding programme to secure effective and timely delivery, at the most reasonable cost.

The HSE strongly welcomes this recommendation and agrees that detailed forward planning underpinned by multi-annual investment is required to ensure that services become available where and when they are needed

Yours Sincerely,



**Mr Bernard O'Regan,
Head of Operations - Disability Services,
Community Operations**

