Health (Amendment) Bill 2013
Regulatory Impact Analysis

1. Summary RIA

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<td><strong>Department/Office:</strong> Department of Health</td>
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<td><strong>Title of Legislation:</strong> Health (Amendment) Bill 2013</td>
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<td><strong>Stage:</strong> Preparation of Bill</td>
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<td><strong>Date:</strong> 19th April 2013</td>
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**Related Publications:**
Nursing Homes Support Scheme Act 2009

**Available to view or download at:**

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**Issues**
Government has already approved the drafting of the Health (Amendment) Bill 2013. The Memorandum for Government seeking approval to draft that Bill indicated that it was intended to publish the legislation early in 2013, along with any general budgetary provisions that apply to the Department of Health.

Two changes to the Nursing Homes Support Scheme were announced in Budget 2013.

1. The asset contribution will be increased from 5% to 7.5% per annum. This will be capped at three years, or 22.5%, in the case of the principal private residence. In the case of a couple, the cap on the principal residence will be 11.25% where one member of the couple enters nursing home care. This change will only apply to new entrants to the Scheme, and

2. The entitlement for State support to be backdated to the 27th October 2009 (the date the Scheme commenced) for people who were in nursing home care prior to the Scheme commencing will be abolished.

The Nursing Homes Support Scheme Act 2009 must be amended before these measures can be implemented.

**Policy Options considered and Preferred Option**
The Nursing Homes Support Scheme is set out in the Nursing Homes Support Scheme Act 2009. Therefore, the Act requires amendment in order to give effect to the changes.

There is no other mechanism to effect the changes in this instance.

**Preferred Option:**
Introduce legislation to amend the Nursing Homes Support Scheme Act 2009.
2. **Policy Context and Objectives**

**Policy Context**

2.1 The Nursing Homes Support Scheme Act 2009 must be amended to give effect to the changes to the Scheme announced in Budget 2013.

**Objectives**

2.2 The immediate objectives are to:

(i) Increase the asset contribution from 5% to 7.5% per annum, and

(ii) Abolish the entitlement for State support to be backdated to the 27th October 2009 (the date the Scheme commenced) for people who were in nursing home care prior to the Scheme commencing.

3. **Identification and Description of Options**

3.1 Given that the Scheme is provided for in primary legislation, an amendment to the Nursing Homes Support Scheme Act 2009 is the only mechanism that can be used to effect the changes.

4. **Analysis of Costs, Benefits and Impacts**

4.1 There is no cost to the Exchequer. The amendments will contribute to the sustainability of the Scheme and will enable additional applicants to be supported in 2013.

4.2 New entrants to the Nursing Homes Support Scheme will pay an increased level of contribution towards the cost of their care. However, the Scheme contains the following safeguards:

a) Nobody will pay more than the actual cost of care.

b) The first €36,000 for a person's assets, or €72,000 for a couple, is not taken into account during the financial assessment.

c) The principal residence is only included in the financial assessment for the first three years of a person's time in care.

d) Where an individual's assets include land and property in the State, the contribution based on such assets may be deferred and collected from their estate. This is the optional Nursing Home Loan element of the scheme.

e) Individuals keep a personal allowance of 20% of their income, or 20% of the maximum rate of the State Pension (Non-Contributory), whichever is the greater.
f) If there is a spouse/partner remaining at home, s/he retains 50% of the couple’s income, or the maximum rate of the State Pension (Non-Contributory), whichever is the greater.

g) Certain items of expenditure, called allowable deductions, can be taken into account during the financial assessment. These allowable deductions include health expenses.

h) There is a financial review mechanism which takes account of the fluctuating value of assets and the fact that cash assets will naturally deplete over time as payments are made to the nursing home etc.

4.3 **Impact on national competitiveness**
No impact.

4.4 **Impact on socially excluded or vulnerable groups**
New entrants to the Nursing Homes Support Scheme will pay an increased level of contribution towards the cost of their care. However, the portion of their contribution that is based on land-based assets in the State can be deferred. The HSE will be able to support additional residents under the Scheme.

4.5 **Impact on the environment**
No impact.

4.6 **Whether the proposals involve a significant policy change in an economic market including an examination of the impacts on consumers and competition**
No impact.

4.7 **Impacts on the rights of citizens**
No impact.

4.8 **Whether the proposal involves a significant compliance burden**
The repeal of section 13(3) will only affect new applicants to the Scheme. The HSE will not have to take any action in respect of existing residents. Consequently, the implementation of this change will reduce the administrative burden.

The implementation of the increased asset contribution for new entrants will not create a significant compliance burden.

4.9 **North/South and East/West relations**
No impact.

5. **Consultation**
The Office of the Attorney General was consulted on the preparation of these proposals and has approved the proposals as set out in the Memorandum for Government.

The Health Service Executive has been consulted regarding the implementation of the amended legislation.

6. **Enforcement and Compliance**
See paragraph 4.7 above.
7. **Review**  
The implementation of the amendments will be monitored by the Department of Health.

8. **Publication**  
The Regulatory Impact Analysis will be published on the Department of Health website.