



Towards a Fairer Society for an Ageing Population

Age Action Priorities for Budget 2020

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Government of Ireland



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Age Action Budget 2020 Proposals

Creating a Fairer Pension System

1. Increase the weekly **State Pension** by €9 per week to build towards achieving the Government's commitment in the National Pensions Framework of a State Pension set at 35% of average weekly earnings [Cost: €297.2 million]
2. **De-politicise the setting of the State Pension** – and take into account commitments in the 'Roadmap for Pension Reform 2018-2013' - by introducing a **triple lock** which guarantees that the basic State Pension rises each year by a minimum of 2.5%, the rate of inflation or average earnings growth – whichever is the largest.

Addressing the Cost of Ageing

3. Increase the **income threshold** for all means tested benefits in line with increases to the State Pension and secondary benefits
4. Increase the cost of the **Living Alone Allowance** by €5 per week [Cost: €55 million]
5. Increase the **Fuel Allowance** rate by €2.35 and reintroduce a 32 week payment period [Cost: €62 million]
6. **Commission research on the Cost of Ageing** to inform Ireland's policy development to meet the needs of an ageing population.

Enabling Older People to Age In Place

7. Increase the **Home Supports** budget by 25% to begin to meet unmet need in 2020, while the statutory Home Care scheme is being developed [Cost: €110 million].
8. Remove the **medical card prescription charge** of €1.50 per item for over 70s medical card holders. [Cost €36 million] and reduce medication charges for **over 70s GP Visit Card** holders as per the review of medication charges under the Sláintecare eligibility and entitlement programme.
9. Ensure **full funding of key Sláintecare commitments**: Year 1 targets for expanding entitlements and system capacity (removal of hospital charges, reductions in medication charges for all medical card holders and 50% reduction in Drug Payment Scheme thresholds for single headed households) [Cost €395.6 million].
10. In the context of reaching an allocation of €84.5m per year for **Housing Adaption Grants**, restore the Housing Aid for Older People budget to 2010 levels. Reverse the changes introduced to the **Housing Aid Scheme** in January 2014 to ensure better access to grants for disadvantaged older people.

Introduction

Each year, in preparing our pre-budget submission, Age Action consults with our members through a survey and events held in Dublin, Cork, Mayo and Galway.

Age Action knows from its consultations in 2019 that an increasing number of older people in Ireland are worried about growing old, paying bills and having a steady income in retirement. Pensioners struggling to cope with rising costs are afraid of losing their home because they are unable to pay the property tax. Others go without food and essential medication to keep their health insurance. Older people tell us that they are afraid of getting sick, of increased prescription charges since 2010 and of losing their medical card, and of being forced into a hospital or a nursing home because they can't get the extra help they need to enable them to stay home. All of these concerns arise despite the welcome increases in some benefits in recent budgets. The cumulative impact of cuts to social welfare payments during the recent recession continues.

During our consultations, we asked Age Action members about their most important priority for Budget 2019 and overwhelmingly, an increase in the **State Pension** as a stable primary income source and **greater investment in homecare** were highlighted as priority concerns. In addition, two key issues continue to be emphasised by older people:

- that **any State Pension increase should be introduced in January**, and
- that **any increase in income should be met with a corresponding increase in income thresholds for means-tested payments**.

Many of those who received the €5 increase in recent budgets found themselves pushed just over the income threshold for secondary payments, in particular eligibility for the medical card and fuel allowance which remain crucial supports.

Budget 2020 Submissions

Budget 2020 is the Government's opportunity to signal its determination to act on the needs and concerns of over 600,000 older people, as well as to honour the pledges and commitments already made to 'cater for the needs of a more diverse ageing population who want to live independent and active lives in their communities.'¹

Age Action looks forward to working with Government to assist them to do just that. This submission outlines Age Action's top priorities for Budget 2020 covering all of the key areas affecting older people in Ireland.

More detailed submissions have already been made to a number of departments including:

- Department of Employment Affairs and Social Protection;
- Department of Health;
- Department of Housing, Planning and Local Government.

¹ Government of Ireland (2016) *Programme for Government*. Available at www.gov.ie.

1. Creating a Fairer Pension System

Incomes Falling Behind Inflation

Between 2009-2015 an older person on the State Pension and Household Benefits Package lost €13.18 per week as a result of the recent recession.

Cuts included the abolition of the Telephone Allowance as part of the Household Benefit Package, the introduction of new taxes and charges, and an increase in the cost of essential items such as insurance, medicine and fuel.

The last two budgets have seen the partial restoration of older people's incomes through increases in the State Pension, restoration of the Christmas Bonus and extended provision of the Fuel Allowance.

As the table below shows, for those totally reliant on the contributory State Pension, their income has only marginally improved by **€13.10 per week since 2009.**²

However, to simply keep pace with inflation since 2009 (according to the CSO, in simple terms the CPI rose by 6.84% between July 2009 and July 2019³), older people's incomes would need to have increased by **just over €18 per week – this would require €5 extra per week to simply keep pace with inflation.** It's clear then that in real terms, the income packages of older people reliant on the State has declined over the last 10 years.

² This figure originally published on 14 June was corrected on 7 October 2019.

³ On a base of December 2006 data. See www.cso.ie for further information.

Table 1: Weekly Income Supports Comparison, 2009 versus 2016-2019

Income	Jan-09	Jan-16	Mar-17	Mar-18	Mar-19
State Pension (Contributory)	€230.30	€233.30	€238.30	€243.30	€248.30
Christmas Bonus (weekly equivalent)	€4.42	€3.36	€3.89	€3.97	€4.78
Total A	€234.72	€236.66	€242.19	€247.27	€253.08
Secondary Income Supports					
Telephone Allowance	€6.00	€0.00	€0.00	€0.00	€2.50*
TV Licence	€3.08	€3.08	€3.08	€3.08	€3.08
Electricity/Gas	€9.63	€8.07	€8.07	€8.07	€8.07
Fuel Allowance					
(Means tested payment)	€12.31	€11.25	€11.25	€11.68	€12.11
Total B	€31.02	€22.40	€22.40	€22.83	€25.76
Total A+B	€265.74	€259.06	€264.59	€270.10	€278.84
Difference from Jan 2009		-€6.68	-€1.15	€4.36	€13.10

*This is available only to those who live alone and get the Fuel Allowance

Costs Affecting Older People

Crucially, the overall inflation figures do not adequately capture how older people have been affected by rising prices and costs in particular items. The 200-300% increase in prescription charges since they were introduced in 2010, new taxes on property, and rising energy and medicine costs over recent years have eroded the capacity of many older people to develop resilience to economic shocks, even small ones such as any slight changes to utility costs. These new taxes, charges and rising prices have a greater impact on older people who are generally living on a fixed income, with limited opportunities to return to the labour market or to increase income.

Housing costs are also an issue for older people. While the vast majority of older people own their own homes outright (81%), the remainder are still paying mortgages or rents (which are still rising) out of fixed incomes. In addition, those who are home owners or mortgage payers also pay the Local Property Tax (LPT) and, as property prices continue to rise (particularly in Dublin and other urban centres), increases in the property tax are inevitable.

Callers to Age Action's Helpline often express worry over LPT valuations of their private home based on current market value. Many currently struggle to pay this tax from their fixed income

and are worried about any potential increase in the context of having to pay for necessary and often large-scale repairs to their homes.

Another area of rising costs affecting older people is increasing insurance prices. As one of the respondents to Age Action's Pre-Budget Survey said:

“Every time I hear of an increase in health insurance, utilities, I get frightened. I don't like the worry of getting old and not having enough to provide for emergencies”

The latest 2019 CPI⁴ shows an overall increase in premiums for health (2.6%) and home insurance (0.6%) and decrease in car insurance premiums (-4.7%) over the past 12 months. However, this often does not reflect the reality of costs for older people who often must pay higher premiums simply based on their age.

The rising cost of car insurance for older drivers is an issue that continues to be raised with Age Action's Helpline by many older people. We frequently hear from worried older people whose insurers simply refuse to provide a quote once they reach 70 years.⁵

For those who do receive quotes – according to our Helpline – some of the premiums quoted come to twice the weekly pension and results in many older drivers struggling to keep their cars on the road.

This is a significant problem because, for many older drivers, running a car is an absolute necessity to live independently and may mean the difference between living in the community or being forced into residential care.

Poverty Amongst Older People

The latest official poverty statistics from the CSO indicate that 8.6% of people aged 65 years and over were 'at risk' of poverty in 2017.⁶

This is good news as it shows a decline in those at risk of poverty from 2012 when nearly one eighth of older people were in that situation.

⁴ July 2019.

⁵ See Age Action (2018). *Submission to the Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach*. Available at www.ageaction.ie.

⁶ Latest year available. See CSO (2018) *Survey on Income and Living Conditions 2017*. Available at <http://www.cso.ie>

Table 2: Poverty rates for those aged 65 years and over, 2009-2017

	<i>At risk of poverty %</i>	<i>Deprivation rate %</i>	<i>Consistent poverty %</i>
2009	9.6	9.5	1.1
2010	8.7	9.8	0.9
2011	9.7	11.3	1.9
2012	12.1	13.5	2.6
2013	9.2	16.1	1.9
2014	10.3	14.3	2.1
2015	10.7	15.4	2.7
2016	9.8	13.1	1.8
2017	8.6	9.7	1.7

Source: CSO (various years) *Survey on Income and Living Conditions*. Available at <http://www.cso.ie/en/silc/releasesandpublications/>

However, it still means that, in 2017, just under one in ten older people were living on less than 60% of the national median income of €20,869 per annum (€12,521 or €240.78 per week.⁷)

Many older people continue to survive on incomes only just above the poverty line with the full contributory State Pension standing at €12,911 or €248.30 per week (€13,431.60 for those over 80). A State Pension for those with a yearly average of 39 or fewer annual social insurance contributions over the course of their working life is below the ‘at risk’ of poverty rate, as is the top rate of the non-Contributory State Pension at €12,324.

Many of those in retirement are without adequate coverage for their cost of living and rely solely or mainly on State pension supports. For those over 65 more than three-quarters of their income is made up of public transfers. To this end, the State Pension has provided a critical, and often sole, source of income for many older people. **The aspiration then should be for a State Pension that is benchmarked to 34/35% of average weekly earnings and linked to a triple lock** which guarantees that the basic State Pension rises each year by a minimum of 2.5%, the rate of inflation or average earnings growth (whichever is the largest) **and therefore is above the poverty line, lifts them away from social exclusion and enables people to grow old with dignity.**

Honouring Government Commitments

The Government’s programme, *Programme for a Partnership Government*, commits the Government to increase the State Pension above the rate of inflation.

In addition to the commitment in the Government programme, the Government’s National Pensions Framework contains an additional commitment that needs to be taken into account in calculating this year’s budgetary decisions in relation to pensions, namely to: “*sustain the value of the State Pension at 35% of average weekly earnings*” in order to prevent poverty

⁷ Equivalised disposable income per individual.

among older people.⁸ Preliminary CSO figures for Q4 2018 indicate that average weekly earnings amongst current workers were €761.65. Using the National Pensions Framework 35% benchmark that would result in a State Pension of €266.58 or an **additional €18.28 per week** based on current pension rates.

Budget 2020 must see the Government work towards honouring its own commitments in the Programme for a Partnership Government and the National Pensions Framework in terms of increasing the weekly rate of the State Pension. However, Age Action acknowledges the fiscal realities still affecting the State – particularly in the light of the uncertainty over Brexit – and recognises that it is not possible to benchmark the State Pension to 35% of current average earnings in one budget. **Instead we are proposing that the Government achieve this commitment over two budgets, beginning with a €9 per week increase in Budget 2020.**

New Pension-Setting Mechanism

Ireland is unusual in setting the pension rate in the budget every year without using any particular formula. Indexing of current and future pension rates facilitates proper planning, it provides peace of mind for older people and crucially it depoliticises the budget process. This was recognised in the Government’s own document, ‘A Roadmap for Pensions Reform 2018 – 2023’, which committed Government to benchmark and index the State pension.⁹ The enactment of the Roadmap’s proposals will bring Ireland into step with most other countries in the EU that apply a formula for indexing the State Pension to some combination of prices, wages or GDP.¹⁰

Taking into account the commitments in the Roadmap, Age Action is urging the Government to apply a safeguard for annual indexes in the form of a triple lock which guarantees that the basic State Pension will rise each year by a minimum of either 2.5%, the rate of inflation or average earnings growth, whichever is the largest.

Recommendations

- Increase the weekly **State Pension** by €9 per week to build towards achieving the Government's commitment in the National Pensions Framework of a State Pension set at 35% of average weekly earnings.
- De-politicise setting of State Pension by **introducing a triple lock** which guarantees that the basic State Pension rises each year by a minimum of 2.5%, the rate of inflation or average earnings growth – whichever is the largest.

⁸ Government of Ireland (2010) *National Pensions Framework*. Available at http://www.welfare.ie/en/downloads/nationalpensionsframework_en.pdf

⁹ The Roadmap contains a commitment to benchmark the State pension to 34% of average earnings for the State pension, with future increases to depend on the Consumer Price Index (CPI) or average wages.

¹⁰ *Department of Social Protection presentation to the Joint Oireachtas Committee on Social Protection* (15 December 2016).

2. Addressing the Cost of Ageing

Key Role of Secondary Benefits

Secondary benefits provide targeted and crucial supports for the most vulnerable. One unfortunate – and possibly unintended - consequence of recent increases to the State Pension has been that they have resulted in **many people being subsequently pushed just over the threshold for secondary benefits, often losing their entitlement..** For example, many of the calls received by Age Action’s Helpline following the application of Budget increases in 2018/2019 have been from people no longer eligible for the medical card by virtue of the €5 pension increases.

It is therefore vital that any State Pension increases are matched by corresponding increases in the thresholds for secondary benefits, and for the system to work cohesively to protect against poverty.

Living Alone Costs

In the 2016 Census, 399,815 people indicated that they lived alone, of whom 39.2% were aged 65 and over. Over half of all people with disabilities living alone were aged 65 and over.¹¹

The additional costs of living alone versus that of a pensioner couple are often raised by older people contacting Age Action. Many older people experience the loss of a partner through bereavement which can have devastating emotional and financial effects. They highlight to Age Action how the loss of a partner often means the loss of an additional income, yet the costs of heating their home, insurance or the LPT for example, remain the same.

The Vincentian Partnership for Social Justice (VPSJ) Minimum Essential Budget Standards (MESL) provides useful quantifiable data on the costs of a pensioner living alone versus a pensioner couple.

As the table below shows, the expenditure needs of a single pensioner is approximately 80% that of the pensioner couple household, while their income from the State Pension and secondary supports is between 51-64% of that of a pensioner couple household.¹²

¹¹ <http://www.cso.ie/en/csolatestnews/pressreleases/2017pressreleases/presstatementcensus2016/resultsprofile9-healthdisabilityandcarers>

¹² VPSJ (2019) *Minimum Essential Standard of Living 2019 Update Report*. Available at www.budgeting.ie.

Table 3: Comparison of MESL 2019 Cost Lone Pensioner vs Pensioner Couple, Urban and Rural

<i>Budget Components</i>	<i>€ LP Urban</i>	<i>€ PC Urban</i>	<i>LP cost % to PC Urban*</i>	<i>€ LP Rural</i>	<i>€ PC Rural</i>	<i>LP Cost % to PC Rural*</i>
Food	63.73	75.85	84%	62.78	82.55	76%
Clothing	8.69	14.49	60%	10.11	16.94	60%
Personal Care	8.53	12.38	69%	8.84	12.32	72%
Health	12.58	25.10	50%	12.36	24.57	50%
Household Goods	14.34	15.48	93%	15.41	17.27	89%
Household Services	7.09	7.09	100%	10.07	10.07	100%
Communications	12.82	12.63	102%	13.16	12.97	101%
Social Inclusion and Participation	39.18	52.22	75%	39.22	52.27	75%
Education	0	0	0%	0	0	0%
Transport	0	0	0%	52.11	52.21	100%
Household Energy	53.85	55.83	96%	52.46	54.35	97%
Personal Costs	6.27	6.43	98%	7.02	7.19	98%
Insurance	11.45	20.60	56%	19.01	27.54	69%
Savings and Contingencies	11.52	17.28	67%	11.47	17.20	67%
All Expenditure	250.05	315.38	79%	314.02	387.46	81%

**Note: All percentages are rounded up.*

It is in this context that Age Action supports an increase of €5¹³ in the Living Alone Allowance to begin to address the income inequality and inadequacy experienced by older people living alone.

Rising Energy Costs

Rising energy costs consistently remain one of the main issues of concern for older people contacting Age Action with callers to our Helpline often raising worries about anticipated increases in home heating costs, particularly around carbon taxes. As one of the respondents to the Age Action Pre-Budget Survey put it:

“I have to save from every pension payment, for bills in winter. I am finding heating to be my highest and most stressful bill to afford.”

¹³ As outlined in Social Justice Ireland (June 2019) *Budget Choices* available at <https://www.socialjustice.ie>.

During 2018 Ireland had the highest increase in gas prices, and the fifth highest increase in electricity prices in the EU.¹⁴ These increases in energy costs disproportionately affect those on the lowest incomes and it is acknowledged that poorer households spend a greater share of their income on energy and therefore carbon taxes can impact on ‘both energy affordability and income inequality’, particularly for rural households.¹⁵

Rising energy costs do not just impact on older people’s financial situations – the cold can and does kill people each winter. The majority of its victims do not die of hypothermia, but from cold-related conditions such as respiratory and cardiovascular illness. In practice, many older people may live in older, energy-inefficient homes which are likely to be impractical or uneconomical to heat to comfortable temperatures for much of the year.¹⁶ Given this context, it is not surprising that, overall, 1 in 10 people over the age of 55 have recently reported difficulties in keeping their homes adequately warm.¹⁷

The Fuel Allowance is currently €22.50 per week or €630 annually. **To help older people deal with rising fuel costs, we urge the Government to increase the Fuel Allowance to €24.85 per week – to achieve purchasing power parity with 2010 levels¹⁸ – and reintroduce a 32 week payment period.** This will aid low income households in meeting their energy costs in the context of on-going energy price increases across the market.

Lack of Research

A major challenge for policy makers is the absence of any detailed analysis of the cost of ageing. Without such benchmarking data, it is difficult to plan a detailed, best practice approach to comprehensively meet the needs of vulnerable older people through the setting of appropriate pensions and secondary income supports. In addition, the impact of budgetary adjustments cannot be fully assessed.

Age Action urges the Government to commission research on the cost of ageing to ensure that there are sufficient resources available to meet the needs of an ageing population.

Recommendations

- **Increase the income threshold for all means tested benefits** in line with increases to the State Pension and secondary benefits.
- Increase the cost of the **Living Alone Allowance** by €5 per week [Cost: €55 million]
- Increase the **Fuel Allowance** rate by €2.35 and reintroduce a 32 week payment period [Cost: €62 million]
- Commission **research on the Cost of Ageing** to inform Ireland’s policy development to meet the needs of an ageing population.

¹⁴ Eurostat (May 2019). *Energy prices in 2018 Household energy prices in the EU increased compared with 2017*. Available at www.ec.europa.eu.

¹⁵ Tovar Reanos, M.A. and Lynch M. (2019) Carbon taxation in Ireland: Distributional effects of revenue recycling policies. *ESRI Special Article*. Available at www.esri.ie.

¹⁶ SEAI (2018). *Energy in the Residential Sector 2018 Report*. Available at www.seai.ie.

¹⁷ Gibney S. et al (2018) *Positive ageing in age friendly cities and counties: local indicators report*. Dublin. Department of Health.

¹⁸ As outlined in Social Justice Ireland (June 2019) *Budget Choices* available at <https://www.socialjustice.ie>.

3. Enabling Older People to Age In Place

3. 1 Tackling inadequate home supports service

Home Supports Service In Crisis

Age Action knows that the home supports service is an invaluable element of our health service which helps older people maintain their independence and delay or avoid hospital stays. It is also an integral component of Sláintecare in its objective of delivering integrated care in the community based on need, not on ability to pay.

It is stated Government policy to enable and support people to stay in their homes, yet in reality many older people are prevented from ageing well in their place of choice - their own home - or are unable to leave hospital to return home as they cannot access home supports.¹⁹ Age Action is mindful that the current model of resource allocation whereby local budgets, rather than individual need, dictate access to home supports, is dysfunctional and leads to inequitable outcomes. We are also concerned at the lack of consistency at CHO level in the assessment, measurement and prioritisation of the need for home supports. This variance across the country results in inequitable outcomes for older people resulting purely from where they happen to live.

This inconsistency in approach to measurement, allocation, prioritisation and funding of home supports stands in marked contrast to the statutory, transparent Fair Deal scheme where a legislative framework offers equitable access to those in need regardless of where they are located throughout Ireland.

There are frequent reports on the deficits in the home supports service and how this has a severe impact on older people in need of the service. The widely reported challenges around home supports include:

- Unquantified unmet need
- Lack of a statutory entitlement to access supports
- Wide variation in service provision
- Unregulated services with varying approaches to assessment at individual CHO level results in inequities of access and outcomes for older people²⁰
- Reduction in service levels: the average home care package is now 6 hours a week, not 10 hours as previously²¹ estimated

¹⁹ Goal 3 of the National Positive Ageing Strategy is to enable people to age with confidence, security and dignity in their own homes and communities for as long as possible https://health.gov.ie/wp-content/uploads/2014/03/National_Positive_Ageing_Strategy_English.pdf

Workstream 1 of the Sláintecare 2019 Action Plan states that programmes will design integrated services to provide care and support at, or near, home where appropriate and to ensure hospital stays are minimised - <https://health.gov.ie/wp-content/uploads/2019/03/Sl%C3%A1intecare-Action-Plan-2019.pdf>

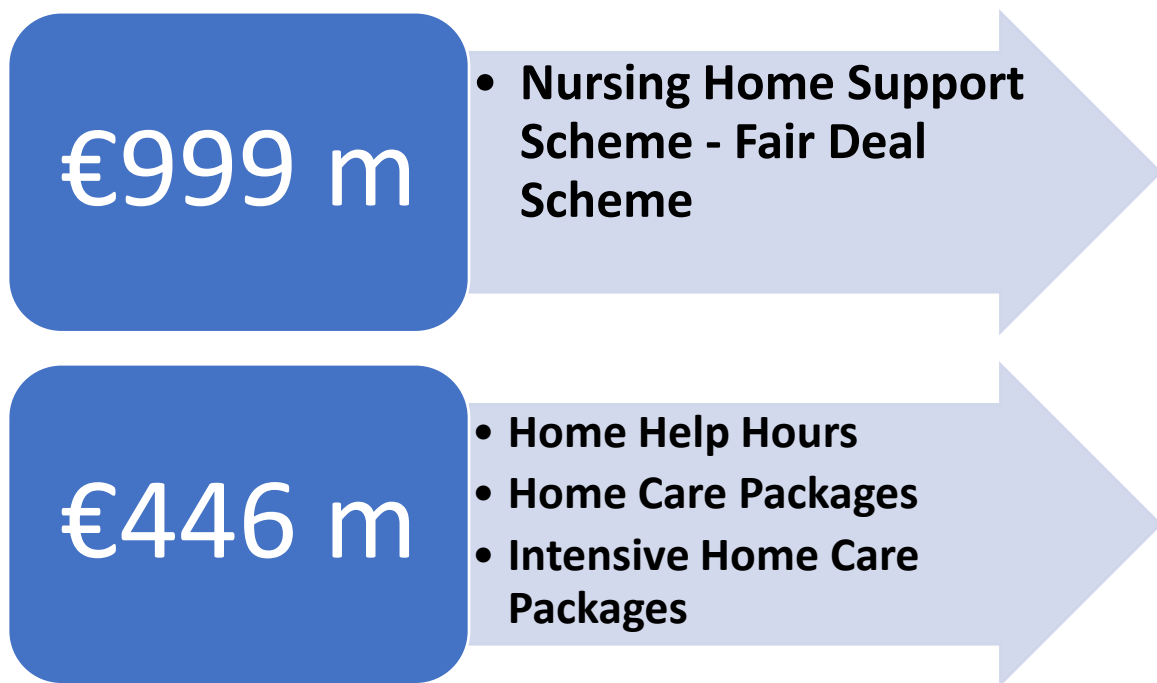
²⁰ Care Alliance Ireland (2018) *Public Provision of Home Care in Ireland – Update October 2018*. Available at [http://www.carealliance.ie/userfiles/file/Briefing%20Paper%202%20Web\(1\).pdf](http://www.carealliance.ie/userfiles/file/Briefing%20Paper%202%20Web(1).pdf)

²¹ Care Alliance Ireland (2018) *Public Provision of Home Care in Ireland – Update October 2018*. Available at [http://www.carealliance.ie/userfiles/file/Briefing%20Paper%202%20Web\(1\).pdf](http://www.carealliance.ie/userfiles/file/Briefing%20Paper%202%20Web(1).pdf)

- Decreased quality of service outcomes - less hours are being spread more thinly per client with an increase in the provision of short 30 minute slots of care which result in poorer outcomes for service users.

Age Action notes the disparity in budget allocation between the Nursing Home Support Scheme and the Home Supports Service, see figure 2 below. We know that an immediate increase in funding for home supports is needed in the period while Ireland moves to a statutory Home Care Scheme underpinned with robust eligibility legislation and quality standards. The difference in funding brings into sharp focus the urgent need to develop and deliver a sustainable funding model for the home care statutory scheme to enable older people to remain in their own homes where many want to be cared for.

Figure 2: Public spend Nursing Home Support Scheme and Home Supports Service 2019



Future Capacity Demands On Home Supports Service

Recent reports signal the increasing demand that the ageing population will place on home support services. The ESRI noted that the demand for home care packages is “projected to increase by between 44-66 per cent by 2030” and that the “demand for Home Help hours is projected to increase by between 38-54 per cent by 2030”.²² The Health Service Capacity Review report also flags the increase in capacity needed, stating that a 120% increase will be required in home support services if this projected demand is to be met.²³

²² Wren, M A et al. (2017). *Projections of demand for healthcare in Ireland 2015 to 2030 first report from the Hippocrates model*. Available at <https://www.esri.ie/publications/projections-of-demand-for-healthcare-in-ireland-2015-2030-first-report-from-the-hippocrates-model/>

²³ Department of Health and PA Consulting (2018). *Review of Health Demand and Capacity Requirements in Ireland to 2031*. Available at

The findings from these significant reports have serious implications for the planning of health and social care services for older people. While Age Action welcomes the commitment by the Department of Health to deliver the complex task of an equitable and sustainable statutory Home Care Scheme by 2021, it will take years to achieve a functioning equitable scheme. Statistics show that in the interim the Irish health system is failing those older people who have been assessed as 'in need' but who are not able to access the service. The number of people in this position is on a clear upward trajectory. As of May 2019 the numbers waiting to access home supports stood at 6,819, an increase of 1,977 on May 2018. Meeting this immediate need must be a Government priority before beginning to implement a new statutory scheme.

Unmet Need For Home Supports Service

While we acknowledge the commitment of the HSE 2019 Service Plan to provide 18.2 million hours to 53,000 people during the year, the fact is that unmet need still exists with older people currently going without the necessary supports. The level of unmet need for home supports is at crisis level. We also know however, that the figure of 7,217 assessed as needing a service at the end of June 2019 does not include those older people who have not yet been assessed according to latest figures released by the HSE. We welcome the Department of Health's recent decision to commission work to ascertain how home supports are being assessed, measured, allocated and prioritised in each CHO (expected by the end of Q4 2019), as knowing the level of unmet need is vital to the development of the statutory home support scheme which is currently in design phase. Age Action also urges the speedy roll out of the Single Assessment Tool (SAT) across all CHOs. The SAT is a vital building block to ensure consistency and important data capturing, which will inform future health planning across the social care spectrum.²⁴

It is estimated that approximately 6.5% of the population aged over 65 years (637,567) receive home help in Ireland, which compares poorly with the OECD estimate of approximately 10% of this age cohort needing the service. With the well publicised rise in the over 65 cohort projected to continue, planning to meet this need must be prioritized.

The stories of older people ready for discharge from acute hospitals, who are forced to stay in expensive acute settings, losing their confidence, mobility and muscle tone, unable to access home supports, is a regular feature in the news cycle. Delayed discharges, which result for a variety of complex reasons, are a fact of life in Irish public hospitals.

<https://health.gov.ie/wp-content/uploads/2018/01/Health-Service-Capacity-Review-2018-Executive-Report.pdf>

This report states that the required capacity for Home Care Packages will need to increase by 70% from 15,600 monthly to 26,600. The report also states that an additional 7.2 million Home Help Hours will be needed by 2031.

²⁴ The SAT is an assessment tool, with an IT system, to enable improved outcomes for older persons, it will ensure that assessment, care planning and policy decision-making are consistently carried, are effective, co-ordinated, and provide maximum value for money, meeting international best practice standards.

Lack of access to home supports has a very significant impact on hospital bed days lost, with older people unable to leave hospital although clinically discharged, as they cannot access the step-down care needed to allow them to return home safely and regain their mobility and independence.

The *Independent Expert Review of Delayed Discharges 2018* states that 90% of the 8,125 delayed discharges in the year 2017-2018 were people aged 65 years or over, with a similar percentage for the previous year.²⁵ Lack of home support services clearly stops people medically fit for discharge from leaving hospital, preventing them from achieving their wish to age in place in their own home.

Unmet need in home care was calculated, by the 2017 Oireachtas report *The Future of Healthcare*, as costing between €120 million and €205 million respectively (using two estimated levels of unmet need at 26% and 50%) over the first five years of Sláintecare.²⁶ Wave 4 of TILDA showed that 16% of people over 75 years and 14% of the 65 to 74 year old cohort report unmet need in the community.²⁷

Investment In Home Supports Service Needed Now

While the increase in funding for home supports to €446 million in 2019 was welcome, it is not enough to meet need and demand, as at any given time over 6000 people are waiting assessment. Home support is a critical component of a modern, equitable health system. Age Action believes that a universal home care scheme is a public good and is a collective social responsibility of Government. The new statutory home supports care scheme must be prioritised and delivered as early as possible in 2021 and offer universal entitlement, underpinned by rights and entitlement, based on need funded by a robust, equitable and sustainable funding mode.

Recommendation:

- Increase the **home supports** budget in 2020 by 25% to begin to meet unmet need [Cost: €110 million].

3.2 Reducing the cost of medication for older people

Prescription Charges for Over 70s Full Medical Card Holders

As people age, multi-morbidity becomes more prevalent. This results in an increase in the amount of medication prescribed to treat chronic conditions. Polypharmacy, where there are

²⁵ Department of Health. (2018). *Irish Expert Review of Delayed Discharges*. Dublin. <https://health.gov.ie/wp-content/uploads/2018/11/Delayed-Discharges-Report-November-2018.pdf>

²⁶ Government of Ireland. (2017). *Houses of the Oireachtas Committee on the Future of Healthcare Sláintecare Report*. Dublin. <https://webarchive.oireachtas.ie/parliament/media/committees/futureofhealthcare/oireachtas-committee-on-the-future-of-healthcare-slaintecare-report-300517.pdf>

²⁷ TILDA. (2018). *Wellbeing and Health in Ireland Over 50s 2009-2016*. Dublin.

<https://tilda.tcd.ie/publications/reports/pdf/w4-key-findings-report/TILDA-Wave4-Key-Findings-report.pdf>

five or more items of medication prescribed, causes financial stress for older people with medical cards as they must pay a charge for each item prescribed. In June 2019 there were 449,823 people aged over 65 years who qualify for a medical card on grounds of low income.²⁸ For many of these the only income they have is the State pension.

A recent study from March 2019 found that 82.6% of medical card holders aged over 75 years were prescribed five or more items of medication each month.²⁹ This research analysed data from the HSE Primary Care Reimbursement Service on prescribing patterns for medical card holders.

While acknowledging the recent decreases in the prescription charge for this cohort, down from €2 per item to €1.50 in Budget 2019 as part of the Sláintecare commitment to provide affordable health care for all, Age Action understands that this will be a phased process. Age Action is aware that the review, just completed within the Department of Health, which examined medication and hospital charges under the Sláintecare Action Plan 2019 will propose recommendations to increase affordability of medication.

Out of pocket health expenses for over 70s GP Visit Card Holders

For older people experiencing multiple morbidity and who live with chronic illnesses, being over the means-tested asset and income limit for a full medical card results in significant extra health costs.³⁰ This group is entitled to a 'GP Visit Over 70s' card which means free GP visits but they must meet the costs of all other health related expenses including blood tests, chiropody, therapies, hearing aids and dentures. They must also pay for the cost of their medication, up to the current monthly threshold of €124 in the Drugs Payment Scheme.

While it is impossible to calculate an average expenditure on prescriptions for older people, Age Action is aware that there is a cohort of older people, whose income puts them just over the means test for the full medical card who struggle with out-of-pocket health expenses. Many older people on modest incomes cite the high cost of prescribed medication in particular as a financial burden which eats into their disposable income.

Research from the Longitudinal Study on Ageing (TILDA) states that 31% of over 65s have five or more prescriptions, rising to 37% in the over 75s.³¹ Older people are therefore more likely to require multiple prescriptions. In an attempt to save money, older people may not take essential medication such as blood pressure tablets as prescribed. According to Professor Charles Normand, this has been responsible for 200 to 300 strokes every year and a similar number of heart attacks.³² Age Action remains concerned at the cost barrier of prescription

²⁸ <https://www.sspcrs.ie/analytics/saw.dll?PortalPages>

²⁹ Tatum T, Curry P, Dunne B, Walsh K, Bennett K (2019). 'Polypharmacy rates among patients over 45 years'. Available at *Irish Medical Journal* Vol 112, (No 3).

³⁰ In June 2019 the age breakdown of older people who have the GP Visit card over 70 was 56,061 aged between 70 and 74 years and 62,642 aged 75+. Available at <https://www.sspcrs.ie/analytics/saw.dll?PortalPages>.

³¹ https://tilda.tcd.ie/publications/reports/pdf/Report_Polypharmacy.pdf

³² <https://www.irishtimes.com/news/health/prescription-charge-causing-hundreds-of-heart-attacks-1.2451782>

costs for vulnerable older people. Callers to Age Action’s Helpline have told us that they forgo meals or other essentials to save money to pay for medication.

Recommendations:

- Remove **the medical card prescription charge** of €1.50 per item for **over 70s full medical card holders**. [Cost €36 million]
- Reduce medication charges for **over 70s GP Visit Card holders** as per the Sláintecare 2019 implementation plan review of medication charges under the eligibility and entitlement programme for future budgetary consideration.

3.3 Resourcing Sláintecare to improve access, entitlement and affordability of health care

Age Action is a member of the Health Reform Alliance whose organisations share a common belief that strategic reform is needed to create a more equitable health and social care system. The Sláintecare Óireachtas report on the Future of Healthcare published in May 2017, provides cross party commitment to deliver on a universal health and social care system where everyone in Ireland will be entitled to high-quality, affordable services based on need rather than ability to pay. Age Action welcomes the launch of the Sláintecare 2019 Action Plan which sets out how reform will be delivered and progressed. We are particularly mindful of the commitment to deliver both the Social Care Strategy³³ and in particular the statutory Home Care Scheme by 2021.

Budget 2020 must support the ongoing efforts to make this vision of universalism in Sláintecare a reality. Without adequate resourcing and strong political leadership, there is a significant risk that the commitments to create an integrated, accessible and affordable system of care will not be delivered. In particular, the transitional fund is the much needed once-off investment over the first six years to support investment in areas such as infrastructure, capital projects, e-health, training and new services.

Recommendations:

- Commit **sufficient resources in 2020 to ensure that Sláintecare is adequately resourced** to deliver the essential reforms via **full funding of Year 1 targets** for expanding entitlements and system capacity to include €25 million for the removal of hospital in-patient charges (€75 per night, maximum €750 annually), reductions in the prescription charges for all medical card holders and a 50% reduction in the Drug Payment Scheme thresholds for single headed households. [Cost €395.6 million].

³³ The 10 Year Social Care Strategy is an action under Work Stream 1.3 of the Sláintecare Action Plan 2019 Service Redesign Framework Programme. It will set out the roadmap for triple aim outcomes - health & social care outcomes, patient/caregiver/citizen experience, and value for money.

3.4 Home Adaptations

Census 2016 data showed that the vast majority of older people in Ireland own their own home (88%), either without a mortgage or other loan (81%) or with a mortgage or home loan (5.4%).^[1] Overall, 395,522 of those over 65 households in Census 2016 lived in private households. While the majority of older people do live in owner-occupied housing with no mortgage,^[2] just over 9% of people over 65 (35,974) were renting (2% from private landlord, 6% from local authority and just under 1% from AHB) Of the 395,522 over 65s living in private households, 239,436 (or 60.5%) did not live alone while 156,086 lived alone (39.4%). However, **many older people report living in poor, older housing stock which is unsuitable for their needs, more difficult to heat, often in poor repair and costly to maintain.** Overall, 1 in 5 people aged 55 and over have reported problems with the facilities in their house (e.g. older heating systems) and 1 in 10 people reported problems with the conditions of their house.^[3]

Strong volatility can be seen in the overall funding to the Scheme between 2010-2016, the number of payments made and the average grant amount.

To meet demand, is it vital that the Housing Aid for Older People budget is restored to 2010 levels and that the changes introduced to the **Housing Aid Scheme** in January 2014 to ensure better access to grants for disadvantaged older people. Looking at projections for estimated need in the coming years, Age Action supports the call by ALONE for a roadmap to reach €84.5m of funding for grants by 2028.^[4] The Housing Aid for Older People Scheme provides grants of up to €8,000 to assist older people living in poor housing conditions to have necessary repairs or improvements carried out. Eligible works include structural repairs or improvements, re-wiring, repairs to or replacement of windows and doors, provision of water supply and sanitary facilities, provision of heating, cleaning, painting etc.^[5]

The Housing Aid Scheme can be difficult for those on low income to access as they are required to make a co-payment, and in cases, to pay the costs upfront before reimbursement from their local authority.

Greater clarity, consistency and transparency in the administration of the schemes are urgently needed. The application system needs to be streamlined and simplified.

^[1] **Note: Census 2016 housing data refers to households. CSO (2017). *Census 2016 Profile 1 - Housing In Ireland*. Available at www.cso.ie.**

^[2] Census 2016 data shows that the majority of older people are living in owner-occupier housing and owning their own home (88%, of which 81% have no mortgage or loan)

^[3] Gibney S. et al (2018) *Positive ageing in age friendly cities and counties: local indicators report*. Dublin. Department of Health.

^[4] This is based on ALONE's projections of a reported need of 20.7% households occupied by people aged 55+ (HaPPI 2018 data) and assumes an average grant of €3,600 (based on 2016 average data for Housing Adaptations for Older People published by the Department of Housing, Planning and Local Government) See ALONE (2018) *Housing Choices for Older People in Ireland – Time for Action*. Available at www.alone.ie.

^[5] Department of Housing. 'Housing Adaptation Grants for Older People and People with a Disability (Private Houses)'. Available at www.housing.gov.ie.

Recommendations:

- In the context of reaching an allocation of €84.5m per year for Housing Adaption Grants, restore the Housing Aid for Older People budget to 2010 levels.
- Reverse the changes introduced to the Housing Aid Scheme in January 2014 to ensure better access to grants for disadvantaged older people

About Age Action

Age Action supports and advocates for equality and human rights for all older people. Everything we do is based on a recognition of the diversity of identity and situation among older people and a concern for equality for all older people. In addressing ageing, our work includes a concern to influence perspectives on and responses to ageing. This pursuit of equality and human rights is underpinned by our work to promote ageing in place, life-long learning, and health and wellbeing for older people, empowering them to live as active citizens.

Our work is driven by an organisation that is professional in its operations and lives out its values of dignity, participation, diversity, social justice, and professionalism.

Age Action is calling on the Government to plan sufficiently for an ageing population to ensure that people remain active, engaged, and valued in their communities for as long as feasible, with choice and control over their lives, regardless of their age. By implementing progressive policies across all Government departments, including social protection, health and housing, the State can improve quality of life for older people ageing in their community while providing value for money for the Exchequer.

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Towards a Fairer Society for an Ageing Population

Age Action Priorities for Budget 2020

Responsible Department	Recommendation	Cost
Department of Employment Affairs and Social Protection	Increase the weekly State Pension by €9 per week to build towards achieving the Government's commitment in the National Pensions Framework of a State Pension set at 35% of average weekly earnings	€297.2 million
Department of Employment Affairs and Social Protection	Increase the cost of the Living Alone Allowance by €5 per week	€55 million
Department of Employment Affairs and Social Protection	Commission research on the Cost of Ageing to inform Ireland's policy development to meet the needs of an ageing population.	-
Department of Employment Affairs and Social Protection	De-politicise the setting of the State Pension – and take into account commitments in the 'Roadmap for Pension Reform 2018-2013' - by introducing a triple lock which guarantees that the basic State Pension rises each year by a minimum of 2.5%, the rate of inflation or average earnings growth – whichever is the largest.	-

Department of Employment Affairs and Social Protection	Increase the income threshold for all means tested benefits in line with increases to the State Pension and secondary benefits	-
Department of Employment Affairs and Social Protection	Increase the Fuel Allowance rate by €2.35 per week and restore to 32 weeks	€62 million
Department of Housing, Planning and Local Government	In the context of reaching an allocation of €84.5m per year for Housing Adaption Grants, restore the Housing Aid for Older People budget to 2010 levels	-
Department of Housing, Planning and Local Government	Reverse the changes introduced to the Housing Aid Scheme in January 2014 to ensure better access to grants for disadvantaged older people	-
Department of Health	Increase the Home Supports budget by 25% to begin to meet unmet need in 2020, while the statutory Home Care scheme is being developed.	€110 million
Department of Health	Remove the medical card prescription charge of €1.50 per item for over 70s medical card holders	€36 million
Department of Health	Allocate sufficient resources to fund recommendations from the forthcoming Department of Health review of existing medication charges to reduce the cost of medicine for GP Visit card holders	-
Department of Health	Ensure full funding of key Sláintecare commitments : Year 1 targets for expanding entitlements and system capacity (removal of hospital charges, reductions in medication charges for all medical card holders and 50% reduction in Drug Payment Scheme thresholds for single headed households), investment of €500 million in transitional fund and the establishment of the National Health Fund.	€896.5 million