



PRE-BUDGET SUBMISSION

2027

Submitted to

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Minister of State for Older People and Housing
Department of Health

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A Message from Our Chief Executive Officer

Ireland's residential nursing home sector continues to play an indispensable role in the delivery of health and social care services. Every day, private and voluntary nursing homes provide 24-hour care to thousands of older people, supporting residents with increasingly complex clinical needs while relieving pressure on acute hospitals and the wider health service.

The Alliance - Supporting Nursing Homes was established to provide an independent voice for nursing home providers and to work constructively with Government, the Department of Health, the HSE, HIQA, the National Treatment Purchase Fund (NTPF) and all stakeholders to strengthen the quality, sustainability and long-term future of residential care in Ireland.

Over the past year, The Alliance has welcomed the opportunity to engage directly with Government on a broad range of policy issues affecting the sector. We acknowledge the significant commitments contained within the Programme for Government in relation to older persons' services, workforce planning and the future sustainability of nursing home care. These commitments provide a strong foundation upon which meaningful reform can now be delivered.

Budget 2027 presents an opportunity to move beyond short-term funding negotiations and towards a modern, transparent and sustainable model of residential care funding that places residents at its centre while providing certainty for providers and value for the taxpayer.

The Alliance believes that Ireland now requires a long-term strategy that recognises residential nursing homes as an integral component of the national healthcare system. This requires investment not only in funding but also in workforce planning, regulatory improvement, governance, innovation and partnership.

Throughout 2026, The Alliance has sought to contribute positively to public policy discussions. We have consistently supported strong independent regulation, evidence-based decision-making and constructive engagement with Government departments and agencies. Where concerns have been identified, they have been raised respectfully and with the objective of improving systems rather than criticising individuals or organisations.

Our call for an independent review of HIQA's nursing home inspection framework reflected this approach. We welcomed the subsequent review and believe that independent evaluation should become a regular feature of public accountability, ensuring that confidence in regulatory systems continues to grow through transparency and continuous improvement.

Similarly, our development of the Rosetta Cost of Care Model reflects our belief that Ireland can move beyond annual funding negotiations towards a nationally consistent framework where funding follows resident dependency, recognises regional cost variation and supports quality care through objective, evidence-based funding mechanisms.

The recommendations contained within this submission are intended to support Government in delivering on its own policy commitments while ensuring that older people continue to receive safe, high-quality care in sustainable services throughout Ireland.

The Alliance looks forward to continuing to work collaboratively with the Minister Kieran O'Donnell, the Department of Health and all stakeholders during the implementation of Budget 2027 and beyond.



Shane Scanlan
Chief Executive Officer
The Alliance - Supporting Nursing Homes

Budget 2027 Brief

The Alliance - Supporting Nursing Homes

Supporting the Programme for Government through Practical Reform of Residential Care

The Alliance - Supporting Nursing Homes welcomes the Government's continued commitment to strengthening services for older people and believes Budget 2027 presents an opportunity to deliver meaningful, long-term reform across Ireland's residential care sector.

The recommendations contained within this submission are designed to support delivery of the Programme for Government while ensuring that older people continue to receive safe, high-quality care within a sustainable and transparent residential care system.

The Alliance's Ten Budget Priorities

1. Introduce a National Cost of Care Funding Framework

Commence the transition from annual negotiated pricing towards a transparent, evidence-based national funding framework through implementation of the Rosetta Cost of Care Model, ensuring funding follows resident dependency while recognising regional costs, regulatory requirements and quality outcomes.

2. Complete the Programme for Government Commitment to Reform NTPF Funding

The Alliance welcomes the Programme for Government commitment to review the National Treatment Purchase Fund (NTPF) pricing methodology and develop a fairer, more transparent and sustainable funding framework for residential care.

As an immediate priority, The Alliance recommends that **Budget 2027 provides an additional €95 million to the Nursing Homes Support Scheme**. This investment should be regarded as transitional funding to maintain the stability and sustainability of the current funding model while Government completes the NTPF pricing review and progresses the implementation of a new national Cost of Care funding framework.

This approach will provide greater certainty for residents, providers and Government, protect the continuity of high-quality care and create the financial stability necessary to support the transition to a transparent, evidence-based funding model that reflects the true cost of delivering safe, regulated and person-centred residential care.

3. Strengthen Workforce Sustainability

Increase the current employment permit ratio from **50:50 to 60:40**, reflecting current labour market realities while continuing to prioritise domestic recruitment, workforce development and career progression for Healthcare Assistants, nurses and clinical leaders.

4. Deliver Annual Independent Reviews of the Regulatory Framework

Establish a programme of regular independent reviews of Ireland's nursing home regulatory and inspection framework, commissioned through demonstrably independent procurement processes that reinforce public confidence in regulation.

5. Increase Transparency Across Department of Health Procurement

Promote greater transparency across publicly funded initiatives affecting the residential care sector by publishing procurement methodologies, evaluation criteria, governance arrangements and contract awards where appropriate.

6. Maintain Timely Access to Fair Deal Funding

Continue delivering on the Programme for Government commitment to maintain Nursing Homes Support Scheme approval times within four weeks while ensuring sufficient funding is available to meet increasing demographic demand.

7. Recognise Residential Care as Critical National Healthcare Infrastructure

Recognise private and voluntary nursing homes as strategic partners within Ireland's healthcare system through long-term policy certainty, sustainable investment and integration within national healthcare planning.

8. Support Innovation in Older Persons' Services

Develop policy mechanisms that encourage integrated age-friendly healthcare campuses, digital innovation, rehabilitation services, step-down care, dementia services and enhanced integration between hospitals, primary care and residential care.

9. Continue Investment in Leadership and Workforce Development

Expand opportunities for leadership education, professional development, quality improvement and clinical governance while ensuring publicly funded programmes remain accessible, transparent and responsive to sector needs.

10. Strengthen Partnership Between Government and the Residential Care Sector

Continue structured engagement between the Minister, the Department of Health and representative organisations to ensure operational experience informs policy development and supports effective implementation of Programme for Government commitments.

The Alliance - Supporting Nursing Homes believes Ireland has an opportunity to develop one of Europe's most transparent, accountable and sustainable residential care systems.

Budget 2027 provides an opportunity to move beyond annual funding discussions and towards long-term reform that delivers certainty for Government, sustainability for providers and, most importantly, better outcomes for older people and their families.

The Alliance remains committed to working constructively with the Minister for Older People, the Department of Health, the HSE, HIQA, the National Treatment Purchase Fund and all stakeholders to support the delivery of these shared objectives.

Delivering the Programme for Government

The Alliance welcomes the clear commitment contained within the Programme for Government to strengthen services for older people and to ensure that Ireland's residential care system remains capable of meeting the needs of an ageing population. The commitments made by Government recognise the increasingly important contribution of residential nursing homes within the wider health service and provide a strong policy framework upon which Budget 2027 can build.

The Alliance believes Budget 2027 represents an opportunity not simply to address immediate funding pressures, but to begin implementing long-term structural reforms that support residents, provide certainty for providers and deliver better value for the State. The recommendations contained within this submission are intended to assist Government in achieving the commitments it has already set for itself.

Delivering Timely Access to Care through the Nursing Homes Support Scheme

The Programme for Government commits to maintaining waiting times under the Nursing Homes Support Scheme at fewer than four weeks while continuing to provide sustainable funding for residential care.

The Alliance strongly supports this objective. Timely access to Fair Deal funding provides certainty for older people and their families while assisting hospitals to discharge patients who no longer require acute care. Maintaining timely access to funding also supports nursing homes in planning admissions and maintaining continuity of care.

As Ireland's population continues to age and demand for long-term care increases, maintaining timely access to Fair Deal funding will require a funding methodology capable of responding to demographic growth in a predictable and transparent manner. The recommendations contained later within this submission, particularly the proposed Rosetta Cost of Care Model, are intended to provide Government with a practical framework capable of supporting that objective.

Expanding Residential Care Capacity

The Programme for Government also commits to delivering additional public nursing home capacity.

This investment is welcomed and reflects Government's recognition that additional capacity will be required over the coming decades. However, demographic trends indicate that future demand will significantly exceed the capacity capable of being delivered by the public sector alone.

Private and voluntary nursing homes currently provide the majority of long-term residential care across Ireland and will remain essential partners in meeting future demand. Investment in public capacity should therefore complement, rather than replace continued investment in the private and voluntary sector. A sustainable residential care system requires partnership between all providers, supported by equitable funding arrangements and consistent policy direction.

Supporting Workforce Development

The commitment to establish structured career pathways for Healthcare Assistants is an important recognition of the contribution made by frontline staff throughout residential care services.

Healthcare Assistants represent one of the largest professional groups working within Irish nursing homes and play an essential role in supporting residents with increasingly complex health and social care needs. Investment in career progression, education, clinical supervision and leadership development will assist recruitment and retention while improving quality of care across the sector.

The Alliance believes that leadership development should not be limited to delivery through a single higher education institution. The State has invested in the development of an Advanced Healthcare Practitioner programme, and that investment should now be leveraged by rolling the programme out nationally through a network of recognised public and private higher education institutions. Expanding access would ensure equitable opportunities for healthcare assistants across Ireland, strengthen clinical leadership within residential nursing homes and acute hospitals alike, and maximise the return on public investment by developing a larger pipeline of highly skilled healthcare assistants across the entire health service.

Reforming Residential Care Funding

Perhaps the most significant commitment contained within the Programme for Government is the review of the National Treatment Purchase Fund pricing methodology and the development of a more equitable funding model for residential care.

The Alliance believes this commitment provides Government with a unique opportunity to modernise how residential care is funded in Ireland.

The current pricing methodology has supported the operation of the Nursing Homes Support Scheme for many years. However, increasing resident dependency, workforce shortages, inflationary pressures and rising regulatory costs demonstrate the need for a funding framework that is more transparent, more objective and more capable of responding to changing patterns of care.

Budget 2027 presents an opportunity to begin transitioning from annual negotiated pricing arrangements towards a nationally consistent methodology based upon the actual cost of delivering safe, regulated and person-centred care. The Alliance believes that implementation of the Rosetta Cost of Care Model provides a practical framework through which Government can deliver this commitment while ensuring funding follows residents, supports quality improvement and provides greater certainty for providers and public expenditure alike.

Increasing Investment in the Nursing Homes Support Scheme (NHSS)

The Alliance recognises the significant investment made by successive Governments in supporting older people through the Nursing Homes Support Scheme (Fair Deal). The Scheme has transformed access to residential care since its introduction and continues to provide thousands of older people and their families with certainty at a time of significant personal need.

As Ireland's population continues to age, the Nursing Homes Support Scheme will remain one of the most important components of the State's healthcare system. It is therefore essential that annual budget allocations continue to reflect the increasing demand for residential care and the genuine cost of delivering safe, high-quality services.

The Alliance believes that Budget 2027 should provide an additional **€95 million** to the Nursing Homes Support Scheme.

This investment should be viewed as a strategic measure that ensures the continued stability of the current funding system while Government progresses the broader structural reforms already envisaged within the Programme for Government.

The Alliance recognises that the review of the National Treatment Purchase Fund pricing methodology presents a significant opportunity to develop a more equitable and transparent funding framework for residential care. That work should continue as a priority. However, meaningful reform of national funding arrangements will require detailed engagement, careful design and phased implementation.

The sector cannot be expected to absorb rising costs while awaiting the completion of those reforms.

An additional **€95 million** investment during Budget 2027 would provide an important bridge between the existing funding model and the future implementation of a national Cost of Care framework. It would provide greater financial stability for providers, maintain confidence in the Nursing Homes Support Scheme and ensure that older people continue to access high-quality residential care without disruption.

This investment would also assist providers in responding to increasing employment costs, statutory pension obligations, enhanced sick leave provisions, rising insurance premiums, food inflation, utilities, regulatory compliance, clinical governance requirements and the continuing increase in resident dependency across the sector.

Importantly, this recommendation should not be interpreted as an alternative to structural funding reform.

The Alliance continues to believe that Ireland should move towards a transparent national funding methodology based on the actual cost of delivering regulated residential care. The proposed additional allocation of **€95 million** is intended to provide immediate stability while Government undertakes that wider reform.

Budget 2027 therefore presents an opportunity to pursue both objectives simultaneously: maintaining the sustainability of the current system while preparing for the introduction of a modern, evidence-based funding model that will support the residential care sector for decades to come.

The Alliance respectfully recommends that Government:

- Increase the Nursing Homes Support Scheme allocation by **€95 million** in Budget 2027 to address immediate cost pressures and growing demand.
- Continue the National Treatment Purchase Fund pricing review as committed to in the Programme for Government.
- Begin the transition towards a transparent national Cost of Care funding framework through structured engagement with providers, representative organisations and other stakeholders.
- Ensure that any future funding model reflects resident dependency, regional cost variation, regulatory obligations and the principles of transparency, accountability and value for public expenditure.

A National Funding Framework for Residential Care (Rosetta Cost of Care Model)

The Programme for Government commits to reviewing the National Treatment Purchase Fund pricing methodology and progressing towards a more equitable funding model for residential care. The Alliance welcomes this commitment and believes it provides Government with a significant opportunity to modernise how long-term residential care is funded in Ireland.

Ireland's current funding arrangements have played an important role in supporting access to residential care under the Nursing Homes Support Scheme. They have enabled thousands of older people to access high-quality care while providing a mechanism through which providers can negotiate pricing with the National Treatment Purchase Fund.

However, as the sector has evolved, so too have the challenges facing providers. Residents entering residential care today present with increasingly complex clinical needs, greater levels of dependency and higher expectations regarding quality, governance and person-centred care. At the same time, providers face sustained increases in employment costs, pension obligations, statutory leave entitlements, insurance premiums, regulatory compliance costs, utilities, food inflation, clinical equipment, digital infrastructure and capital investment.

These pressures are experienced across the country but are not experienced equally. The cost of delivering residential care varies significantly depending on geography, workforce availability, building design, resident dependency and local operating conditions.

While the existing NTPF pricing process has evolved in response to many of these pressures, it remains heavily reliant on individual negotiations. This approach can create uncertainty for providers, consumes significant administrative resources for both providers and the State and does not always provide a transparent explanation of how funding decisions are reached.

The Alliance believes Budget 2027 presents an opportunity to begin moving towards a national funding framework that is objective, evidence-based and capable of supporting the long-term sustainability of residential care.

The objective should not simply be to increase funding. The objective should be to ensure that public investment is distributed transparently, fairly and in a manner that reflects the actual cost of delivering safe, high-quality care.

For that reason, The Alliance has developed the **Rosetta Cost of Care Model** ([© Rosetta Care Ltd](#)), an evidence-informed funding framework designed to support Government in implementing its Programme for Government commitment to develop a more equitable model of residential care funding.

The Rosetta Cost of Care Model is built upon a simple principle: **funding should follow the resident while recognising the genuine cost of delivering regulated care.**

Unlike systems based primarily upon historic pricing or individual negotiation, the Rosetta Model proposes a transparent methodology capable of being applied consistently across the country while recognising legitimate differences in resident dependency and operational costs.

The model is structured around five integrated funding pillars.

1. A National Base Funding Rate

Every approved nursing home should receive a nationally determined base funding rate that reflects the core cost of delivering safe residential care. This base rate should be independently reviewed on an annual basis and adjusted to reflect inflation via the CPI Index, national wage agreements, statutory employment costs and other objectively measurable economic indicators.

A nationally consistent base rate would improve transparency, provide certainty for Government expenditure and enable providers to undertake longer-term financial planning.

2. Funding that Follows Resident Dependency

Not every resident requires the same level of care.

The Alliance believes public funding should more accurately reflect the assessed clinical dependency of each resident. Higher levels of nursing need, dementia care, behavioural support, palliative care and complex clinical interventions should attract additional funding through a nationally consistent dependency weighting system.

This approach ensures that funding follows clinical need rather than historical pricing arrangements and provides confidence that public investment is directed towards those requiring the greatest level of support.

3. Regional and Operational Cost Recognition

The cost of operating a nursing home differs considerably throughout Ireland.

Recruitment challenges, housing costs, insurance premiums, utilities, transport costs and regional labour markets all influence the cost of delivering care.

A sustainable funding framework should therefore incorporate objective regional adjustment mechanisms capable of recognising genuine differences in operating costs while maintaining national consistency.

Such adjustments should be based upon independently verifiable economic data rather than individual negotiation.

4. Recognition of Regulatory and Quality Investment

Ireland rightly expects nursing homes to operate within one of the most comprehensive regulatory frameworks in Europe.

Investment in governance, quality improvement, infection prevention and control, digital care planning, clinical audit, workforce education, environmental standards and resident safety all contribute to improved outcomes for older people.

The Alliance believes the funding model should explicitly recognise the cost of meeting these regulatory obligations. Funding should encourage continuous quality improvement by supporting providers who invest in governance, innovation and resident safety rather than treating regulatory compliance as an unfunded operational cost.

High-quality care should be supported through policy, not achieved despite policy.

5. Accountability and Continuous Improvement

Public investment should be accompanied by public accountability.

The Rosetta Cost of Care Model therefore supports robust governance, transparent reporting and continuous quality improvement across the sector. Providers should continue to demonstrate compliance with statutory requirements, maintain high standards of governance and engage positively with regulatory oversight.

Equally, Government should commit to reviewing the funding methodology at regular intervals to ensure it continues to reflect demographic change, workforce developments and evolving models of care.

Funding reform should be viewed as a dynamic process rather than a fixed pricing exercise.

Benefits of the Rosetta Cost of Care Model

The Alliance believes implementation of a national funding framework based upon these principles would deliver significant benefits for residents, providers and Government alike.

For residents and families, it would provide greater confidence that funding reflects assessed care needs and supports consistently high standards of care regardless of location.

For providers, it would replace uncertainty with predictability, enabling investment in workforce development, infrastructure, technology and clinical innovation.

For the National Treatment Purchase Fund, it would reduce the administrative burden associated with repeated individual negotiations while creating a more transparent and objective basis upon which public funding decisions are made.

For Government, it would provide a robust long-term funding methodology capable of supporting future demographic planning, improving value for public expenditure and strengthening accountability.

For taxpayers, it would ensure that public funding is allocated through an objective, transparent and evidence-based framework that delivers measurable value while supporting the delivery of safe, high-quality care.

A Partnership Opportunity

The Alliance recognises that reforming national funding arrangements is a significant undertaking that will require detailed engagement between Government, the Department of Health, the National Treatment Purchase Fund, providers, residents and representative organisations.

The Rosetta Cost of Care Model is not presented as a finished blueprint to be adopted without consultation. Rather, it is offered as a practical and evidence-informed framework capable of supporting Government in delivering one of the most significant commitments contained within the Programme for Government.

The Alliance would welcome the opportunity to work collaboratively with the Department of Health, the National Treatment Purchase Fund and other stakeholders in developing a national funding methodology that is transparent, sustainable and capable of meeting Ireland's future residential care needs.

The Economic Contribution of Ireland's Nursing Home Sector

Residential nursing homes are most often discussed within the context of health and social care. While this is entirely appropriate, it is equally important to recognise that the sector represents one of Ireland's most significant regional employers, an important contributor to national economic activity and a critical component of the State's healthcare infrastructure.

Every euro invested in residential care delivers benefits that extend well beyond the walls of individual nursing homes. The sector supports employment, generates tax revenues, stimulates local economies, reduces pressure on acute hospitals and enables thousands of families to remain economically active by providing reassurance that loved ones are receiving safe, high-quality care.

Budget 2027 should therefore recognise residential nursing homes not solely as recipients of public funding but as long-term partners in Ireland's economic and healthcare development.

Supporting Employment Across Ireland

The residential care sector directly employs tens of thousands of people across every county in Ireland. These include registered nurses, Healthcare Assistants, allied health professionals, catering teams, domestic staff, maintenance personnel, administrators, managers and a wide range of specialist support services.

Unlike many industries, nursing home employment is rooted within local communities. Jobs cannot be outsourced overseas and continue to provide stable employment opportunities in both urban and rural Ireland.

Each nursing home also supports significant indirect employment through local suppliers, including pharmacies, food producers, medical equipment providers, laundry services, transport operators, maintenance contractors, waste management companies, construction firms, information technology providers and professional services.

Investment in residential care therefore generates economic activity across a broad range of sectors while supporting local businesses throughout the country.

Supporting Regional Economies

Many nursing homes are located within smaller towns and rural communities where they represent one of the largest local employers.

The economic impact extends far beyond direct employment. Staff spend their income locally, suppliers operate within local communities and nursing homes purchase significant quantities of goods and services from Irish businesses.

This sustained economic activity contributes to the vitality of rural communities while supporting balanced regional development.

Budget 2027 should recognise that investment in residential care also represents investment in regional economic resilience.

Supporting the Wider Health Service

Residential nursing homes play a vital role in maintaining capacity across Ireland's healthcare system.

By providing long-term care, rehabilitation, respite services, dementia care and palliative care, nursing homes reduce demand on acute hospitals and enable patients to be discharged once their acute treatment has concluded.

Every delayed discharge avoided improves hospital capacity, reduces overcrowding and enables more timely access to acute services for patients requiring hospital treatment.

Investment in residential care should therefore be recognised as investment in the efficiency of the wider health system.

Strengthening nursing homes strengthens hospitals.

Supporting Public Finances

Residential nursing homes are significant contributors to the Irish economy through employment taxes, employer PRSI, commercial activity and investment.

Providers continue to invest substantial private capital in modern facilities, equipment, technology, regulatory compliance and workforce development.

The private and voluntary sector has consistently demonstrated its willingness to invest in Ireland's healthcare infrastructure where long-term policy certainty exists.

Creating a stable and transparent funding environment will encourage continued investment while reducing uncertainty for both providers and Government.

The Alliance believes that predictable public policy encourages private investment, benefiting residents and taxpayers alike.

Delivering Value for Public Expenditure

Public expenditure should always be assessed against the value it delivers.

Investment in residential nursing homes produces measurable benefits including reduced pressure on hospitals, improved patient flow, employment creation, regional economic development, improved quality of life for older people and enhanced capacity throughout the healthcare system.

Budget 2027 provides an opportunity to view expenditure on residential care not simply as an annual cost but as long-term investment in national healthcare infrastructure.

The Alliance believes that adopting this broader perspective will support more sustainable policymaking and better long-term outcomes for Government, taxpayers and, most importantly, older people.

Residential Care as Critical National Infrastructure

As Ireland prepares for continued demographic growth, residential nursing homes should increasingly be recognised as part of the country's critical health infrastructure.

Just as investment in hospitals, primary care centres and ambulance services is recognised as essential public infrastructure, so too should investment in residential care be viewed as an investment in the resilience and capacity of the national healthcare system.

The independent and voluntary nursing home sector already delivers the majority of long-term residential care in Ireland.

Its contribution is fundamental to the functioning of the wider health service and will become increasingly important as demand for services continues to grow.

The Alliance therefore believes Budget 2027 should establish a long-term policy framework that recognises residential nursing homes as strategic healthcare infrastructure deserving of sustainable investment, transparent funding and continued partnership with Government.

Building a Sustainable Workforce for Ireland's Nursing Home Sector

The delivery of safe, person-centred residential care depends upon one factor above all others: the availability of a skilled, compassionate and sustainable workforce. Every commitment contained within the Programme for Government relating to older persons' services ultimately depends upon the people who deliver care each day in nursing homes across the country.

Ireland's residential care sector employs thousands of nurses, Healthcare Assistants, allied health professionals, catering staff, housekeeping teams, maintenance personnel, administrative staff and management professionals. Together they provide continuous care to some of the most vulnerable members of society, often supporting residents with increasingly complex clinical, cognitive and social care needs.

The Alliance welcomes the Government's commitment to strengthening workforce planning and establishing structured career pathways for Healthcare Assistants. This represents an important recognition of the contribution made by frontline staff and should be viewed as one component of a broader national workforce strategy for older persons' services.

However, demographic change presents a significant challenge. Ireland's population aged over 65 is expected to continue increasing over the coming decades, with corresponding growth in demand for residential care. At the same time, healthcare providers across the public, private and voluntary sectors continue to compete for a limited workforce, while international competition for qualified healthcare professionals has intensified considerably.

Addressing these challenges requires a balanced workforce strategy that supports domestic recruitment while recognising that international recruitment will remain an essential component of Ireland's healthcare system for the foreseeable future.

Modernising Ireland's Employment Permit Framework

The Alliance believes Budget 2027 provides an opportunity to modernise Ireland's employment permit arrangements for residential care.

Current workforce regulations require providers to maintain a balance between employees from Ireland and the European Union and those recruited through the employment permit system from outside the European Economic Area. While this approach has supported domestic recruitment objectives, experience across the sector demonstrates that it no longer reflects the realities of the current labour market.

The Alliance has consistently advocated for a measured revision of this policy through increasing the current ratio from **50:50 to 60:40**. This proposal was brought to the attention of

the Minister by The Alliance as a practical solution to ongoing workforce shortages and remains an important recommendation within this submission.

This is not a proposal to reduce opportunities for Irish or European workers. On the contrary, providers will continue to recruit locally wherever possible. Rather, it recognises that domestic recruitment alone is insufficient to meet current and future demand for residential care services.

A revised ratio would provide providers with greater operational flexibility while maintaining a clear expectation that investment in the domestic workforce remains a priority. It would also reduce the risk of vacant posts remaining unfilled, thereby protecting continuity of care for residents.

The Alliance believes this proposal represents a proportionate and evidence-based response to workforce pressures and would assist Government in maintaining capacity across the residential care sector without compromising employment opportunities for the domestic workforce.

Investing in Clinical Leadership

Workforce sustainability extends beyond recruitment. Retention, professional development and leadership are equally important in maintaining high-quality care.

The Alliance welcomes recent investment by the Department of Health in leadership and management education initiatives for the nursing home sector. Developing the next generation of clinical leaders will strengthen governance, improve quality outcomes and support continuous improvement across residential care services.

Future investment should continue to support nurses, owners, Persons in Charge and senior management teams through accessible education, leadership development and quality improvement programmes.

The Alliance believes that where publicly funded leadership or education programmes are developed for the sector, they should be designed to ensure fair access for providers across the residential care system and be commissioned through transparent procurement processes that are open, competitive to all educational institutions and publicly accountable.

Supporting International Healthcare Professionals

International nurses and Healthcare Assistants have made an invaluable contribution to Irish healthcare over many years and continue to play an essential role in residential care services throughout the country.

The Alliance believes Ireland should continue to position itself as an attractive destination for skilled healthcare professionals by supporting efficient registration processes, appropriate induction programmes, ongoing professional development and opportunities for long-term career progression.

Investment in international recruitment should complement, rather than replace, continued efforts to strengthen domestic education and recruitment pathways.

Retaining the Workforce We Already Have

Retention is as important as recruitment.

Many experienced healthcare professionals leave the sector due to workload pressures, limited career progression or uncertainty regarding the long-term sustainability of services. Creating a stable funding environment, investing in leadership and recognising the professionalism of those working within residential care will all contribute to improved retention.

The Alliance believes that workforce policy should be developed with a long-term perspective. Decisions made through Budget 2027 should not simply address immediate vacancies but should support the development of a resilient workforce capable of meeting Ireland's future care needs.

A Shared Responsibility

The workforce challenges facing residential care are not unique to individual providers. They are national challenges requiring coordinated responses from Government, educational institutions, professional regulators, representative organisations and employers.

The Alliance is committed to working collaboratively with the Department of Health, the HSE, the National Treatment Purchase Fund, education providers and professional bodies to support practical workforce solutions that strengthen the residential care sector for the benefit of residents, families and staff alike.

A sustainable workforce is fundamental to delivering every ambition contained within the Programme for Government. Budget 2027 provides an opportunity to take meaningful steps towards achieving that objective through balanced workforce reform, investment in leadership and greater flexibility within the employment permit system.

Strengthening Governance, Transparency and Public Confidence

Ireland's nursing home sector operates within one of the most comprehensive regulatory and governance frameworks in the State. This framework exists for one purpose above all others: to safeguard older people and to maintain public confidence in the quality, safety and accountability of residential care services.

The Alliance has consistently supported strong, independent regulation and recognises the essential role played by the Department of Health, HIQA, the Office of the Chief Inspector, the HSE, the National Treatment Purchase Fund and other statutory bodies in protecting residents and maintaining standards across the sector.

Effective regulation should never be viewed as being in opposition to providers. Rather, regulation and service providers share a common objective: ensuring that older people receive safe, compassionate and high-quality care. The Alliance believes that maintaining public confidence requires continuous improvement, transparency and a willingness to evaluate systems objectively.

Annual Independent Reviews of Regulatory Effectiveness

During 2025, following the RTÉ Investigates programme concerning nursing home regulation, The Alliance became the first and only representative organisation within the sector to publicly call for an independent review of HIQA's nursing home inspection framework. That recommendation was made not as a criticism of regulation itself, but from a belief that public confidence is strengthened when regulatory systems are prepared to evaluate their own effectiveness through independent external scrutiny.

The subsequent independent review was welcomed by The Alliance as a positive step towards continuous improvement.

The Alliance now believes that this approach should become part of Ireland's ongoing system of regulatory assurance.

Rather than commissioning independent reviews only in response to significant events, Government should consider establishing a programme of periodic independent reviews of the nursing home regulatory framework. Such reviews could occur at regular intervals and examine the effectiveness, consistency, proportionality and efficiency of regulatory practice while identifying opportunities for continuous improvement.

This approach would support both providers and regulators by ensuring that inspection frameworks continue to evolve alongside changes in clinical practice, legislation and international best practice.

Independence Must Be Demonstrable

Independent review processes must themselves be capable of withstanding public scrutiny.

Public confidence is strengthened not simply because a review is described as independent, but because the governance, procurement, conflict of interest assessments and oversight arrangements clearly demonstrate that independence.

The Alliance therefore recommends that future independent reviews commissioned by Government or public bodies should be supported by transparent procurement processes, clearly documented governance arrangements and appropriate declarations of actual or potential conflicts of interest.

These principles protect the credibility of the review, strengthen confidence in its findings and safeguard the reputation of the public bodies involved.

The objective should always be to ensure that independent reviews are demonstrably independent as well as independent in practice.

Transparency in Department of Health Procurement

The Alliance believes that transparency should extend beyond regulatory reviews to encompass wider procurement activity undertaken by the Department of Health where public funding is invested in projects affecting the residential care sector.

Each year, the Department commissions a range of initiatives including education programmes, consultancy services, research projects, quality improvement initiatives, digital transformation projects and specialist advisory services.

These initiatives make an important contribution to improving the sector and represent significant investment of public resources. The Alliance believes public confidence would be further strengthened where procurement processes relating to such initiatives are consistently transparent and accessible.

Where appropriate, information should be publicly available regarding procurement methodologies, evaluation criteria, successful applicants, contract values, governance arrangements and declarations of actual or potential conflicts of interest.

Transparency of this nature protects both the Department and successful providers by ensuring public confidence in decision-making and demonstrating that public expenditure is allocated through fair, objective and accountable processes.

This recommendation is not intended to increase administrative burden but rather to reinforce the principles of openness and accountability that underpin public procurement throughout the wider public service.

Meaningful Engagement with Representative Organisations

Strong public policy is strengthened through meaningful engagement with those responsible for delivering services on behalf of the State.

The Alliance acknowledges the ongoing engagement that has developed with the Minister for Older People, officials within the Department of Health and other statutory agencies over the past year. This engagement has been constructive and has demonstrated the value of direct dialogue between policymakers and frontline providers.

The Alliance acknowledges the engagement that has taken place with the Minister for Older People, officials within the Department of Health and other statutory agencies over the past year. While this engagement has been constructive, it should be complemented by timely and consistent responses to correspondence. Representative organisations have an important role in bringing operational issues and policy proposals to Government, and those communications should be acknowledged and responded to within a reasonable timeframe. Timely communication supports effective policymaking, strengthens relationships between Government and stakeholders and reflects the standards of openness and accountability expected within public administration.

Building Public Confidence Through Good Governance

Public confidence in residential care depends not only upon the quality of services delivered within nursing homes but also upon confidence in the institutions responsible for funding, regulating and supporting those services. The Alliance believes transparency, accountability and continuous improvement should remain guiding principles across every part of the residential care system.

By embracing regular independent evaluation, transparent procurement, meaningful stakeholder engagement and evidence-based policymaking, Ireland can continue to strengthen its regulatory framework while maintaining public confidence in the organisations responsible for safeguarding older people.

These recommendations are made in a constructive spirit and reflect The Alliance's commitment to working alongside Government, the Department of Health, HIQA, the HSE, the National Treatment Purchase Fund and all stakeholders to ensure that Ireland's residential care system continues to evolve in a manner that is transparent, accountable and centred on the needs of older people.

Supporting Innovation and the Future of Residential Care

Ireland's healthcare system is undergoing significant transformation. Advances in medicine, changing patterns of disease, demographic growth and increasing expectations regarding person-centred care require new models of service delivery that are integrated, flexible and capable of responding to the changing needs of older people.

Residential nursing homes must be recognised as central partners in that transformation.

The traditional perception of nursing homes as stand-alone residential facilities no longer reflects the reality of modern care delivery. Increasingly, nursing homes provide complex nursing care, dementia services, rehabilitation, palliative care, chronic disease management, end-of-life care and multidisciplinary support that would previously have been delivered exclusively within hospital settings.

The Alliance believes Budget 2027 should support innovation that strengthens these evolving models of care while encouraging greater integration between residential care, primary care, acute hospitals and community services.

Towards Integrated Age-Friendly Healthcare Campuses

The Alliance believes Ireland should begin supporting the development of integrated age-friendly healthcare campuses that bring together a range of health, housing and community services within a single coordinated environment.

These developments have the potential to transform how services for older people are delivered by moving beyond traditional models of institutional care and creating communities that support ageing with dignity, independence and choice.

An integrated healthcare campus could incorporate residential nursing home care alongside independent living accommodation, assisted living, step-down and transitional care, primary care services, GP facilities, community diagnostic services, rehabilitation, therapy services, dementia supports, outpatient clinics and community amenities.

Such developments would provide seamless transitions between different levels of care while reducing unnecessary hospital admissions and supporting earlier discharge from acute hospitals.

The Alliance is currently engaged in the development of proposals for what has the potential to become one of Ireland's first integrated age-friendly healthcare campuses. While this submission is not intended to promote any individual project, it demonstrates how future

investment can create innovative models of care capable of supporting Government policy objectives across health, housing and community care.

Budget 2027 provides an opportunity to establish policy mechanisms that encourage and support similar developments throughout Ireland.

Supporting Care Closer to Home

The Programme for Government places significant emphasis on delivering healthcare closer to people's homes wherever possible. The Alliance fully supports this objective.

Residential nursing homes should increasingly be recognised as community healthcare resources capable of supporting step-down care, convalescence, rehabilitation, respite services, chronic disease management and specialist dementia care alongside long-term residential services.

Strengthening partnerships between nursing homes, hospitals, Community Healthcare Organisations, primary care teams and General Practitioners will assist in reducing delayed discharges while ensuring older people receive care in the most appropriate setting.

Future policy should encourage greater integration across these services through shared planning, improved communication pathways and more flexible commissioning arrangements.

Digital Transformation and Innovation

Innovation is no longer limited to buildings and infrastructure. Technology is becoming increasingly important in supporting safe, efficient and person-centred care.

Electronic care planning, digital medication management, clinical decision support, remote consultations, data analytics, quality improvement systems and assistive technologies all have the potential to improve resident outcomes while supporting more efficient service delivery.

The Alliance believes future investment should continue to encourage digital transformation within residential care through targeted grant schemes, innovation funding and collaborative projects involving providers, academic institutions and public agencies. Investment in technology should always support, rather than replace, the human relationships that remain central to high-quality care.

Sustainability and Environmental Responsibility

The residential care sector also has an important role to play in supporting Ireland's climate objectives.

Many providers have already invested in renewable energy technologies, improved insulation, energy-efficient heating systems, LED lighting, water conservation and sustainable procurement practices. These investments reduce operating costs while contributing to national environmental objectives.

However, significant further investment will be required if residential care services are to achieve long-term sustainability.

The Alliance recommends that Budget 2027 continue to support targeted capital investment programmes that assist nursing homes in improving energy efficiency, reducing carbon emissions and modernising ageing infrastructure.

Investment in sustainability delivers benefits not only for providers but also for residents through improved comfort, resilience and long-term financial sustainability.

Innovation Through Partnership

Innovation cannot be achieved by any single organisation acting alone. The Alliance believes the greatest opportunities for innovation will emerge through partnership between Government, the Department of Health, the HSE, HIQA, the National Treatment Purchase Fund, higher education institutions, representative organisations, private providers, voluntary providers and local communities.

The Alliance remains committed to contributing constructively to these partnerships and to supporting the development of new models of care that respond to Ireland's changing demographic profile.

The residential care sector has demonstrated remarkable resilience, adaptability and innovation over many years. Budget 2027 provides Government with an opportunity to build upon these strengths and create the policy environment necessary for continued innovation across the sector.

Investment in innovation should not be viewed as an additional cost but as an investment in a more integrated, more sustainable and more responsive healthcare system capable of meeting the needs of future generations.

A Partnership for the Future

The Alliance - Supporting Nursing Homes believes that Ireland has an opportunity to become an international leader in the delivery of high-quality residential care for older people. Achieving that ambition will require continued investment, thoughtful policy development and genuine partnership between Government and those responsible for delivering care every day.

Over the past year, constructive engagement between The Alliance, the Minister for Older People, the Department of Health and statutory agencies has demonstrated the value of open dialogue. While there will inevitably be differences of opinion on individual policy issues, our experience has shown that the strongest outcomes are achieved where Government and stakeholders work together with a shared commitment to improving services for older people.

The Alliance wishes to acknowledge the engagement that has taken place with the Minister throughout the past year and the willingness shown to listen to the perspectives of nursing home providers across the country. We recognise the significant challenges facing Government as it seeks to respond to demographic change, increasing demand for services and the wider financial pressures affecting the healthcare system.

Our objective has never been to identify problems without proposing solutions.

Throughout 2026, The Alliance has sought to contribute constructively to national policy discussions by bringing forward practical recommendations that support both residents and Government. These have included the development of the Rosetta Cost of Care Model, proposals to strengthen workforce sustainability through targeted reform of employment permit arrangements, recommendations regarding transparent public procurement and governance, and continued support for independent regulation and continuous quality improvement across the residential care sector.

We remain firmly committed to working alongside the Department of Health, the HSE, HIQA, the National Treatment Purchase Fund, educational institutions and all stakeholders in implementing meaningful reform.

The Alliance also believes that meaningful engagement with representative organisations should continue to evolve as an integral component of public policy development. Decisions affecting residential care are strengthened when informed by those with direct operational experience of delivering services on behalf of the State. Early engagement supports better implementation, reduces unintended consequences and contributes to more effective public administration.

Ireland's residential care sector has demonstrated extraordinary resilience over recent years. Providers have continued to invest in quality, governance, workforce development and innovation despite significant operational challenges. They have adapted to increasing resident



dependency, changing regulatory expectations and rising costs while continuing to provide compassionate care to thousands of older people every day.

Budget 2027 presents an opportunity to match that commitment with a renewed national investment in the future of residential care.

The Alliance believes that implementation of the recommendations contained within this submission would support the Government in delivering its own Programme for Government commitments while creating a more transparent, sustainable and equitable framework for residential care.

We are committed to supporting that work.

As an independent representative organisation, our role is not simply to advocate on behalf of providers. It is to contribute positively to the development of public policy, to identify practical solutions and to work collaboratively with Government in building a residential care system that meets the needs of older people today and for generations to come.

The Alliance looks forward to continuing this partnership throughout Budget 2027 and beyond.

Publish a Residential Care Reform Implementation Roadmap

The Programme for Government contains a number of significant commitments relating to older persons' services, including the continued development of the Nursing Homes Support Scheme, the review of the National Treatment Purchase Fund pricing methodology, investment in public residential care capacity, workforce development and broader reform of services for older people.

The Alliance welcomes these commitments and recognises the work already undertaken by Government to progress many of these priorities.

As Budget 2027 is implemented, The Alliance believes there would be considerable value in publishing a Residential Care Reform Implementation Roadmap that clearly sets out how these commitments will be delivered over the lifetime of the Government.

Such a roadmap would provide greater certainty for residents, families, providers and public bodies by identifying key milestones, anticipated timelines and areas of responsibility across Government and the health service.

The roadmap could include:

- Implementation of the NTPF pricing review and transition to a more equitable funding methodology.
- Progress towards a national Cost of Care framework.
- Workforce planning initiatives, including education, recruitment and employment permit reforms.
- Delivery of additional residential care capacity across the public, private and voluntary sectors.
- Implementation of recommendations arising from independent reviews of the regulatory framework.
- Investment in digital transformation and innovation.
- Integration of residential care within wider Sláintecare and community healthcare reforms.
- Progress towards integrated models of care that strengthen links between hospitals, primary care, community services and residential care.

Publishing such a roadmap would improve transparency, strengthen accountability and enable all stakeholders to work collaboratively towards clearly defined national objectives.

The Alliance would welcome the opportunity to contribute constructively to the development and implementation of such a roadmap through ongoing engagement with the Minister, the Department of Health and relevant statutory agencies.

Looking Ahead: A Shared Vision for Residential Care by 2030

Budget 2027 should be viewed not as an end in itself but as the beginning of a programme of reform that prepares Ireland's residential care sector for the demographic, clinical and economic challenges of the coming decades.

Ireland's population is ageing. Demand for residential care will continue to increase, residents will present with increasingly complex healthcare needs and expectations regarding quality, transparency and accountability will continue to evolve. Meeting these challenges will require sustained collaboration between Government, public bodies, providers and representative organisations.

The Alliance believes the Programme for Government provides a strong foundation for that work. The recommendations contained within this submission are intended to support Government in delivering those commitments through practical, evidence-based reforms that strengthen the sustainability of residential care while maintaining high standards of care for older people.

By 2030, Ireland has the opportunity to establish one of Europe's most transparent, accountable and sustainable residential care systems. Achieving this ambition will require investment, policy certainty and continued partnership, but the long-term benefits for residents, families, taxpayers and the wider health service are considerable. The Alliance believes the following outcomes should guide Government policy over the remainder of this decade.

	Vision for 2030
Funding	A transparent national funding framework has replaced historic negotiation-based pricing, ensuring greater certainty for Government, providers and residents.
Rosetta Cost of Care Model	Funding follows resident dependency through an objective, evidence-based methodology that recognises regional costs, regulatory obligations and quality outcomes.
Programme for Government Commitments	All commitments relating to residential care have been implemented, including a completed NTPF funding review, sustainable Fair Deal funding, continued investment in capacity and strengthened workforce pathways.
Workforce Sustainability	Ireland has developed a resilient workforce supported by enhanced domestic recruitment, structured career progression, continued investment in education and a modernised employment permit framework, including a revised 60:40 ratio where appropriate.

	Vision for 2030
Regulation	Independent reviews of the regulatory framework are undertaken on a regular basis through transparent procurement processes, reinforcing confidence in the effectiveness and independence of regulation.
Governance and Procurement	Procurement processes relating to publicly funded sector initiatives are consistently transparent, with clear governance arrangements that strengthen public confidence in decision-making.
Innovation	Integrated age-friendly healthcare campuses have become an established component of Ireland's healthcare infrastructure, supporting residential care, rehabilitation, independent living, primary care and community services within integrated environments.
Digital Transformation	Residential care providers have access to modern digital systems that enhance quality, clinical governance, communication and operational efficiency while supporting better resident outcomes.
Healthcare System Integration	Nursing homes are fully recognised as strategic healthcare partners supporting timely hospital discharge, step-down care, rehabilitation and community-based healthcare delivery.
Partnership	Government, statutory agencies and representative organisations work collaboratively to develop policy, ensuring that operational experience informs national decision-making while maintaining the highest standards of accountability and governance.

Conclusion

Ireland's residential care sector stands at an important moment. Demographic change, increasing clinical complexity and growing demand for services present significant challenges, but they also provide an opportunity to reshape how residential care is funded, regulated and integrated within Ireland's wider healthcare system.

The Programme for Government has established a clear direction of travel through its commitments to strengthen services for older people, review the National Treatment Purchase Fund pricing methodology, invest in workforce development and expand capacity across the health service. Budget 2027 now presents an opportunity to begin translating those commitments into meaningful and lasting reform.

The Alliance - Supporting Nursing Homes believes this reform should be guided by a partnership approach between Government, the Department of Health, the HSE, HIQA, the National Treatment Purchase Fund, providers and representative organisations. Strong public policy is developed through collaboration, informed by frontline experience and supported by transparent governance and evidence-based decision-making.

The recommendations contained within this submission are offered in that spirit. They are designed to provide immediate stability through an additional €95 million investment in the Nursing Homes Support Scheme while creating the conditions necessary for long-term structural reform through the development of a transparent national Cost of Care funding framework. They seek to strengthen workforce sustainability through pragmatic employment permit reform, enhance public confidence through greater transparency and accountability, and support innovation in how residential care is delivered as part of an integrated healthcare system.

Throughout the past year, The Alliance has consistently sought to engage constructively with Government. We have welcomed progress where it has been made, raised concerns responsibly where improvements were required and, most importantly, brought forward practical policy solutions. Whether advocating for a review of the regulatory framework, developing the Rosetta Cost of Care Model, proposing reforms to workforce policy or supporting greater transparency in public procurement, our objective has remained consistent: to contribute positively to the development of public policy that benefits older people.

Residential nursing homes are not simply providers of long-term care. They are a vital part of Ireland's healthcare infrastructure. They support hospital capacity, reduce delayed discharges, provide highly specialised nursing and dementia care, sustain employment in every county and offer security and reassurance to thousands of families every day. Investment in the sector is therefore an investment in the resilience of the entire health service.

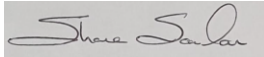
The Alliance believes that by combining immediate investment with long-term structural reform, Ireland can develop one of the most transparent, accountable and sustainable

residential care systems in Europe. This is an opportunity not only to respond to today's challenges but to prepare confidently for the needs of future generations.

We respectfully ask the Minister to consider the recommendations contained within this submission as part of Budget 2027 and the continued implementation of the Programme for Government. The Alliance stands ready to work alongside the Minister, the Department of Health and all stakeholders in delivering these reforms.

Together, we can build a residential care system that is financially sustainable, clinically excellent, transparent in its governance and centred on the dignity, wellbeing and quality of life of every older person who depends upon it.

Yours sincerely,



Shane Scanlan

Chief Executive Officer

The Alliance - Supporting Nursing Homes