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In focus

Ireland cares

Driving up standards for PWID

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Dr Leonid Shapiro, managing partner, **Dr Michelle Tempest**, partner and **Phil Carrivick**, manager, at Candesic compare how different European countries approach care for People with Intellectual Disabilities (PWID) and investigate whether an increase in the market share of independent provision in Ireland will raise political questions around the commercialisation of care. Or will the focus remain on driving up clinical standards, irrespective of operator ownership?

Professionalising care for **People with intellectual disabilities** in Ireland

England and the Netherlands have established independent (charity and for-profit) businesses to care for People with Intellectual Disabilities (PWID) and Ireland is following suit.

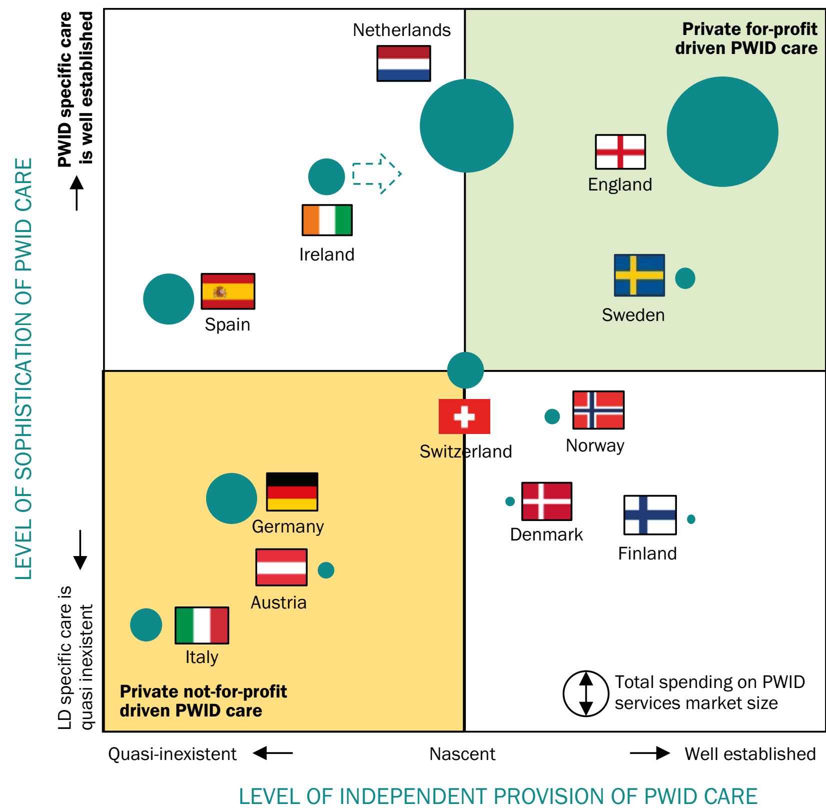
Ireland's rich history

When discussing care for PWID it is always worth remembering the social fabric of the country. Irish communities take great pride in caring for the most vulnerable in their society. Local religious organisations were once responsible for the way care was delivered, and Catholic nuns set up facilities such as the Daughters of Charity (1922) and Sisters of Charity of St Vincent de Paul (1926) to care for PWID.

But by the mid-20th century, there was an acute shortage of religious care staff. A paper (*The Problem of the Mentally Handicapped*, 1960, Dept. for Health), concluded that the number of care places for PWID needed to double from 3,200 to 7,000. Towards the end of the 20th century, large care settings were converted to smaller community-based units, although this did not solve the shortage of care staff.

In some ways Irish policy was ahead of the famous 2014 Bubb report. In 1990 the Irish Government recommended specific ID policy: 'New residential provision should be in small clusters of three to four houses at a number of locations'. The Church declined to expand provision as they lacked staff and the State encouraged the voluntary and private sector to develop new services. Over the last twenty-five years, there have been numerous policy developments to evolve the care framework for PWID, the most recent being the National Disability Inclusion Strategy in 2017. Ireland now has rights for individual needs assessments and

FIGURE ONE – COMPARISON OF PWID CARE PROVISION IN KEY EUROPEAN COUNTRIES
2021



SOURCE CANDESIC LD DATABASE; CANDESIC RESEARCH AND ANALYSIS

ring-fenced funding for high-acuity cases.

The HSE, the body in Ireland responsible for the provision of health and social services, has an annual budget of about €16bn (pre-Covid), which is about the same as England on a per capita basis. Ireland also appears to be on the same Statutory trajectory as England. Both regulators (HIQA in Ireland and CQC in England) are encouraging more community care environments. In Ireland, around 4,000 PWID are set to move from congregated institutions into dispersed housing, which is approximately double the number in England, which has been pushing this agenda since the Bubb report.

When we interviewed Sir Stephen Bubb, director, Charity Futures and the Oxford Institute of Charity, he commented: 'Ireland's recognition that small-scale community-based provision is the best approach is significant. It's a call to providers to ensure high quality and highly personalised services to citizens so often marginalised and sadly abused.'

Rapidly growing need for more residential places

Figure One compares the European pattern of care for PWID, illustrating a trend for PWID to be cared for in specialist units, tailored to the individual care requirements. Some countries lag others, but the trend is clear: to develop more small specialist units where staff are 100% trained in 'Positive Behavioural Support' and other such care techniques. Obviously, this specialisation evolution can only come with investment.

The good news for operators in Ireland is that the average spend on residential ID care is about €127,000 per person per year, the equivalent of £106,000, higher than England where the average is about £75,000 per year. However, there is a need for investment in this sector before it can match demand. Both the NIDD (National Intellectual Disability Database) and HSE have published reports requesting more provision for ID residential places. In 2019 the National Service Plan in Ireland requested 400 more residential places per year (5% CAGR). But who will build and operate these facilities?

IN 2019 THE NATIONAL SERVICE PLAN IN IRELAND REQUESTED 400 MORE RESIDENTIAL PLACES PER YEAR. BUT WHO WILL BUILD AND OPERATE THESE FACILITIES?

Rise of the independents

Candesic suggests there is an opportunity for independent providers to fill the demand-supply gap for PWID. The current supply is highly fragmented. For the historical reasons explained above, about 80% of ID care is provided by non-profit organisations such as Brothers of Charity Services CLG and Avista CLG, see Figure Two.

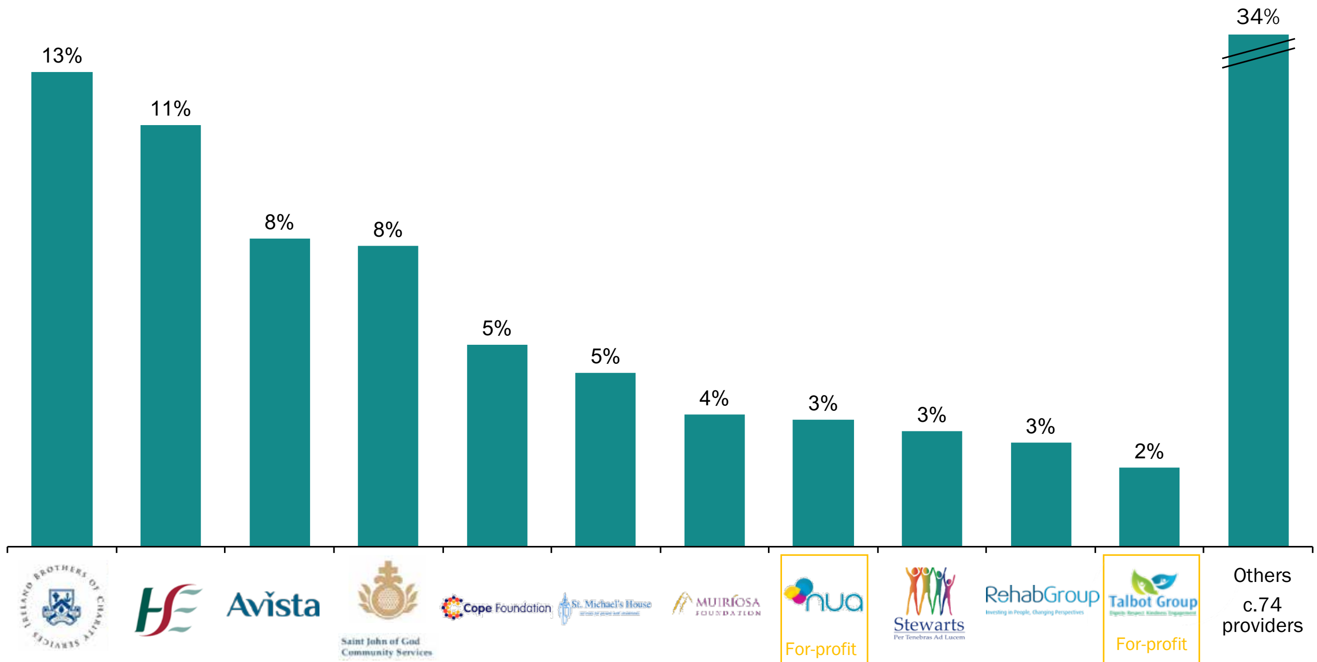
There is a need for more independent providers to make inroads into this sector. To do this successfully they must invest in top quality care, become a trusted provider with commissioners and have access to the capital required to establish a significant presence in the country.

Nua Healthcare is one such provider – in 2015, a Dublin based investment firm, Ion Equity, took a majority stake. In January 2020, it was acquired by iCON Infrastructure and has expanded to reach about 50 homes nationwide. Its homes are in the top 10% of HIQA quality ratings in residential disability services in Ireland.

Talbot, a mid-sized provider, has homes focused on regions north of Dublin. Since it was acquired in January 2000 by Care4U Invest (a Belgian investment vehicle) it has expanded its portfolio from 20 to 25 homes. Each one typically houses 5–6 residents and offers round-the-clock care.

FIGURE TWO – THE LARGEST PROVIDERS IN IRELAND ARE MOSTLY VOLUNTARY, EXCEPT NUA HEALTHCARE AND TALBOT WHICH ARE MAKING INROADS IN THE SECTOR

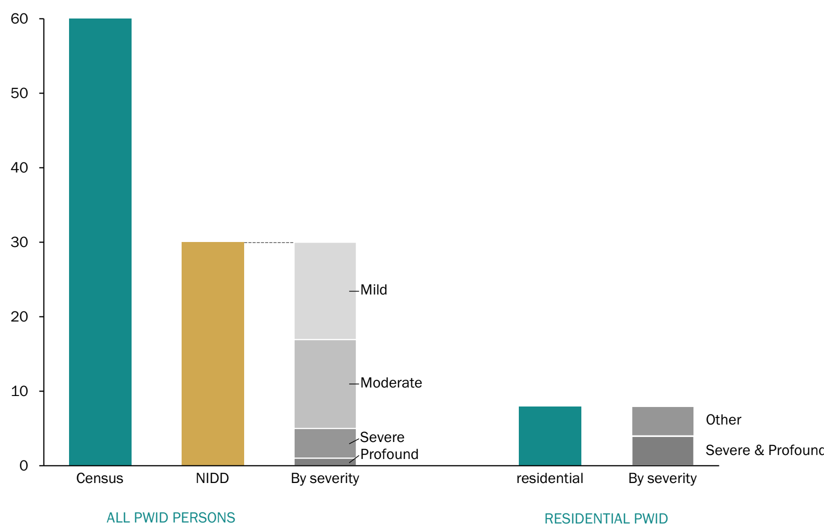
MARKET SHARE OF TOP PWID PROVIDERS IN IRELAND, %, 2022



SOURCE HIQA; CANDESIC RESEARCH AND ANALYSIS

FIGURE THREE – PWID ARE RESIDENTIAL CARE HOMES IN IRELAND, 2,000 OF WHICH HAVE SEVERE NEEDS THAT THE INDEPENDENT SECTOR IS WELL POSITIONED TO SERVE

ID MARKET SIZING IRELAND, 000s OF PEOPLE, 2022



NOTES NIDD NATIONAL INTELLECTUAL DISABILITY DATABASE **PWID** PEOPLE WITH INTELLECTUAL DISABILITY
SOURCE CENSUS; NIDD; CANDESIC RESEARCH AND ANALYSIS

Development expectations

Candesic believes Ireland, alongside other European countries, will continue to evolve care settings away from religious leadership towards clinically outcome-driven commissioning. It could be that a pan-EU operator emerges as a global expert in specialised community care for PWID. But global economic inflationary and staffing pressures will need to be factored into any investment thesis.

As the sector for PWID professionalises, the old-style ‘mom and pop’ operators may well struggle to evolve their governance structures to have robust scrutiny and outcome-based metrics. In summary, there is a time-specific opportunity in Ireland for existing players to quickly grow and for investors to buy or build new platform assets and emerge strong - there are plenty of roll-up opportunities among the smaller operators.

The aim is for Ireland to keep its proud history of caring for the most vulnerable and the result should be a win-win for PWID, voters, politicians, businesses and investors.