

Leicestershire County Council
Residential Care Home and Nursing Care Fee Review
Report on the work undertaken with the local Provider Reference Group

Introduction

A significant factor in developing a new costing structure for the fees paid for residential and nursing care has been the full engagement of local providers of care homes from the outset of this major piece of work.

For a number of years the annual fee review has included engagement with the sector as part of its process. The Residential and Nursing Care Provider Forum has been the mechanism for consultation and information sharing with the wider sector, including via EMCARE.

Approach

The Council asked for local providers to become partners in the development of the new costing structure for residential care home fees. This group is referred to as the Provider Reference Group (PRG).

Responses were received from a number of interested parties who were invited to attend a series of meetings. Terms of Reference for the group were agreed.

Each meeting had a specific theme:

DATE	THEME
19 th April 2018	Options Appraisal
30 th May 2018	Finance
27 th June 2018	Banding Descriptors
23 rd August 2018	Consultation
3 rd October 2018	Finance/Consultation

The notes of each meeting are recorded, and once signed off by the group, are circulated to all Leicestershire care home providers for their information

From the outset of this work, members of the group were keen to progress and shape the local authority preferred option model rather than enter into further protracted discussions about defining any new model(s).

This was because a significant amount of work had previously been undertaken locally, as part of piece of joint work with the Council and the Clinical Commissioning Groups. However, a decision was taken not to progress this particular piece of work.

Each of the meetings had representatives from National and Local providers of residential and nursing care. In the main those attending support Older Adults. EMCARE, which represents many smaller independent providers in Leicestershire, was represented at all but one of the meetings.

The low turnout of providers was discussed. Those present felt that it may be the case that many providers are too busy to engage, prefer EMCARE to represent them or that the sector was consultation weary.

As the meetings progressed, it was acknowledged that the lack of any engagement from smaller local providers, especially those who support Working Age Adults (WAA) was of particular concern. The Council wrote again to those providers to encourage those providers to contribute to this significant piece of work. Despite these efforts, only one response was received and an additional representative attended the PRG meeting in August 2018.

An action log recorded issues raised at each meeting.

The key areas that were discussed have helped to shape the fee review and the public consultation. These issues can be summarised as follows:

Operational

Overall, the group members reported good working relationships with most locality staff and managers, but there are parts of the county where relationships are less good. Some concerns were raised about the consistency of approach to making placements especially emergency admissions and in particular relating to hospital discharges.

The relationship with health was highlighted, including the interface between CHC eligibility and nursing placements, some inconsistencies with community health in-reach services and in particular issues for provision of care for people living with dementia.

The group also reported that there should be greater engagement with self-funders, through information and advice for service users and families, especially if the local authority will be responsible for funding at some point in the future.

The PRG highlighted issues relating to the provisions of clear information and guidance; the operation of Deferred Payment Agreements, the availability of support services and the desire to better reflect the need for person centred support in commissioning guidance.

Contractual

The proposal to move to two banding definitions for older adults was welcomed by the group and the continued use of the Care Funding Calculator for WAA was accepted. It was also recognised that the current core contract and specifications require some updating. This should include clearer specifications and clarity of expectations for both the council and the provider and to ensure that service users' needs are met appropriately.

The future of the current Quality Assurance Framework (QAF), available for homes providing services to older adults, was discussed. Some concerns were raised by the group about the duplication of regulatory requirements and various quality frameworks that they are expected to deliver against.

However other concerns were raised about the proposal to remove the QAF and associated payments. As only a third of the eligible homes are signed up to the framework, it was noted that with new financial modelling, banding definitions, and contract refresh, this should support equity of quality across all provision and will align to the Care Quality Commissions requirements to reach a Good rating.

Financial

The group had detailed discussions about cost pressures in the market and reviewed the draft standard cost template. They highlighted the need to take account of factors ranging from core staffing requirements to levels of occupancy.

The group were in agreement that the new fees should be set at a level that takes account of the actual cost of care in Leicestershire taking into account the diverse market e.g. size, location, occupancy and type of home.

The group felt that training costs should be reflected as well as recognition of increasing external cost pressures e.g. National Living Wage, Regulator costs and CPI. Consideration of ROCE (Return on capital employed) and profitability should form part of the final cost model.

The group also welcomed the appointment of an independent financial organisation, C.CO, which has been commissioned to undertake the development of the cost model. The members of the group have agreed to share their cost breakdowns in order to ensure that up to date and local financial information is available to inform the work of consultants.

Conclusion

This engagement process has been open and transparent and most of the attendees have been involved throughout the process.

The views of the PRG have usefully informed the work of the project managers. The issues raised within the scope of this review have been considered and incorporated where appropriate as the various work-streams within this project have been developed.

The members of PRG reported that they felt able to talk in an open and frank manner about the issues that care home providers face. In addition, there is a clear commitment to continue working in a collaborative way that strives to enhance the services provided to residents in care homes.

PRG Feedback Log - v6 Oct 2018 Meeting				
No.	Key factors / issues raised by providers	Type	Area	Action / Response
1	Property Disregard – it was asked what message social workers give to families in respect of banded rates, compared with the fees charged by homes, this can cause some difficulties for care home staff.	Commissioning guidance	Operational	LCC’s approach is explained on its website in the ‘Funding care in a Care Home’ pages. A detailed explanation is also included in Section 47 of the LCC Adult Social Care Charging Policy, which is also on the Council’s website (https://www.leicestershire.gov.uk/adult-social-care-and-health/care-homes/funding-care-in-a-care-home/who-pays-for-a-care-home)
2	Working with locality social care staff - some concerns were raised about the lack of a consistent approach by some frontline staff, however it was also said that generally a good relationship with individuals enables the process to run smoothly and work well.	Commissioning guidance	Operational	The possibility that locality based Provider meetings might help to build effective working relationships?
3	Banding definitions guidance - can this be shared with care homes? Doing so might give greater clarity and promote good practice.	Commissioning guidance	Operational	Banding Definitions guidance will form part of the contract and be available to providers. There is also detailed information about assessment, eligibility and charging and the Council’s website
4	Hospital discharge – the system needs to improve to give greater clarification of roles and expectations. Could a protocol be developed?	Hospital discharge	Operational	Check and communicate operational commissioning guidance, particularly that related to hospital discharge and joint funded cases
5	Joint commissioning with Health – The interaction between CHC and nursing bandings and agreeing the split can be very difficult. Providers also questioned the legality of the approach and the eligibility of dementia	Joint commissioning	Operational	Check and communicate the revised DST form / guidance
6	Providers warned about assumptions related to in-reach services, which are not always available when required.	Commissioning guidance	Operational	Map Primary Healthcare and Inreach Services as part of the specification review
7	CQC / LA regulation – The expectations of CQC are increasing, as is the cost of registration, It was agreed that these factors need to be taken into account in fee setting.	Regulation	Contractual	Fee modelling and testing will incorporate consideration of this point
8	Training costs – this is another area of increasing expenditure, Providers welcomed the provision of free training from LSCDG, but highlighted that this needs to be costed accurately.	Training	Contractual	Fee modelling and testing will incorporate consideration of this point
9	Quality monitoring – a reduction or change of approach in quality monitoring should be considered as it is a huge cost to providers and a frustration that they are asked the same questions by LAs, CCGs and the CQC. Providers asked if these processes could be better aligned to reduce the cost and burden on providers.	Regulation	Contractual	QAF will be included in the review of the contract, and there is potential progress with the development of a common specification
10	Hotel costs – one size does not fit all, to what extent should these costs vary with size and location, should there be different cost structures for different types / sizes of home.	Hotel costs	Financial	Fee modelling and testing will incorporate consideration of this point
11	Supplementary Needs Allowance – in the older Adult market there may still be a need for SNA, but if the Bands are set at the right level it should be rare exception rather than relatively commonplace as it is currently.	Commissioning guidance	Operational	Fee modelling and testing will incorporate consideration of this point
12	Person centred and dementia support – the bands must be sufficient to ensure that care can be delivered in a person centred way. This will entail the specification of the hours of care associated with each band, though Providers acknowledge that care demand may fluctuate in the short term.	Commissioning guidance	Operational	Fee modelling and testing will incorporate consideration of this point
13	Care Funding Calculator – It was agreed that bands would not be appropriate for WAAs. However, the main problem with the use of the Care Funding Calculator is that the rates calculated often fall short of the Providers’ estimates of the cost of care.	CFC	Financial	Fee modelling and testing will incorporate consideration of this point
14	Information for Service Users - Providers highlighted the need for public information that sets out all the funding streams and the charging policy	Commissioning guidance	Operational	LCC’s approach is explained on its website in the ‘Funding care in a Care Home’ pages. A detailed explanation is also included in Section 47 of the LCC Adult Social Care Charging Policy, which is also on the Council’s website
15	Age cut-off for WAA / OA split needs to be considered and defined carefully, potential equality implications should be considered	Commissioning guidance	Contractual	EHRIA will consider this issue
16	Specific contract clauses regularly cause difficulty; insufficient termination rights, control of staffing, complaints by self-funders, unlimited liability, assignment of contract within the group	Regulation	Contractual	To be considered in the contract refresh
17	Actual average occupancy for the year or defined at a level that is efficient; how should occupancy be calculated within the model?	Occupancy	Financial	Fee modelling will incorporate consideration of this point
18	What level of profitability, operational and return on capital, should be factored into the fee modelling	profitability	Financial	Fee modelling will incorporate consideration of this point in the context of the policy guidance and affordability

19	The average hours of care needed for standard and enhanced residents was discussed and the need to include them in the banding definitions highlighted	Banding description	Contractual	Fee modelling and testing will incorporate consideration of this point
20	The benefits of closely aligning the banding descriptions between the county and the city were discussed, and the current similarities noted, it was agreed that with the addition of hours of care, and a number of updates, the current county band 3 and 5 descriptions provide a good starting point	Banding description	Contractual	Revised descriptions will be based on the current county and city definitions
21	The needs, and variability of needs, of people with dementia were discussed and the need to reflect them in the banding descriptions highlighted.	Banding description	Contractual	The extent to which dementia care is detailed in the banding definitions and contract will be taken into account
23	The current 'time and task' orientation of the banding definitions, with no reference to person centred care or outcomes was discussed	Commissioning guidance	Operational	The extent to which outcomes are detailed in the banding definitions and contract will be taken into account
24	A standard cost template is needed to enable providers to supply financial information in a consistent format, and to improve engagement with the fee review	Consultation and engagement	Financial	C.co have been asked to produce standard cost model(s) for each market
25	The guidance about the level of training required needs to be much more detailed so that providers know exactly what is required and those requirements are accurately costed in the standard cost model	Training	Contractual	Clarification of the training requirements must form part of the specification review
26	The QAF and whether it would feature in the new arrangements was discussed, the current thinking is that it will be removed, but the impact on quality and provider income will need to be considered	QAF	Contractual	Retention / removal of the QAF will be determined by the contract refresh with the associated costs to providers, and potential mitigations, considered.
27	Minimum standards of the care required should be defined in the new specification and costed in the standard cost model	contract	Contractual	Clarification of the minimum requirements must form part of the specification review
28	Providers face a significant cash flow problem if the increase is delayed until June and backdated, that issue will be intensified if there is any delay in implementation beyond June	Implementation	Financial	In determining the transition process, the council must consider how to mitigate this risk, potentially via an interim uplift.
29	Providers requested clarification of the Council's core staffing expectations in each market	core staffing	Financial	This will be detailed in the standard cost model(s)
30	Providers queried the use of the term 'organic condition, with regard to dementia care	Banding description	Operational	Review in next draft for consultation
31	Providers queried that there was no reference to incontinence care	Banding description	Operational	Review in next draft for consultation
32	Providers queried references to tasks rather than outcomes	Banding description	Operational	Review in next draft for consultation
33	Providers queried the language saying that in places it could be more positive and more clear	Banding description	Operational	Review in next draft for consultation
33	Providers expressed concern about the proposal not to apply an annual increase to Working Age Adult high cost placements and queried the current cut-off of £700 per week	Consultation and engagement	Contractual	Review in next draft for consultation
33	Providers expressed concern about the proposal to remove the QAF payments and specify quality requirements in line those required by the CQC to achieve a good rating	Consultation and engagement	Contractual	Review in next draft for consultation
34	Providers suggested a number of alterations to the draft standard cost template	Consultation and engagement	Financial	Updated template circulated for further comment

Residential and Nursing Care - Provider Reference Group

Terms of Reference

April 2018

1. Aim:

To explore the Council's early thinking on the development of new pricing approach for residential and nursing care placements with the intention of informing the development of a new fee structure effective from April 2019

2. Scope:

The engagement will focus on the approach and components of the fee structure that contribute to LCC fee rates.

3. Objectives:

- To coproduce the work of the Council with the review of residential and nursing fees that will be paid from April 2019 (the review).
- To provide information and advice relating to all factors that affect the cost of residential and nursing care in the county.
- To shape and respond to provider engagement work.
- To shape and respond to consultation work.
- To encourage other providers to respond to engagement and consultation work.
- To take account of the needs of all stakeholders in the residential and nursing care market

4. Frequency of meetings:

- Meetings will be scheduled at key points in the development of the work to ensure the group's input is timely.

5. Membership:

- The group will be chaired and by a representative from the Council
- The Lead Commissioner will facilitate the group
- The group will be open to all providers of residential and nursing care in Leicestershire.
- The group will have representation from different types of provider, large and small, voluntary and private, and nursing and residential providers.

6. Accountability:

- The group, via the Lead Commissioner, is accountable to the Council