

NCAS Fringe Event: Quality Framework: Myth Busting Care Home Fees



Local Authorities face a significant challenge ahead

► Demographic and funding pressures

As demand for complex care services for older people continues to grow while funding to meet it declines, commissioners are increasingly grappling with the question – how to reduce or limit costs whilst meeting quality of care and statutory obligations.

► Legal Challenge

Faced with meeting the Comprehensive Spending Review targets some commissioners have tried to impose fee cuts on care home providers without taking steps to understand their cost structures or give due regard to the impact of fee changes on the quality of care experiences by residents.

► Market oversight

The collapse of Southern Cross and reverberations on adequate oversight in the market continue to be felt even today. The diminishing role of the CQC in its quality assessment and inspection capacity has left a gap of independent quality assurance. Already constrained by limited resources, (LAs) are struggling to find an answer that addresses these difficult questions.

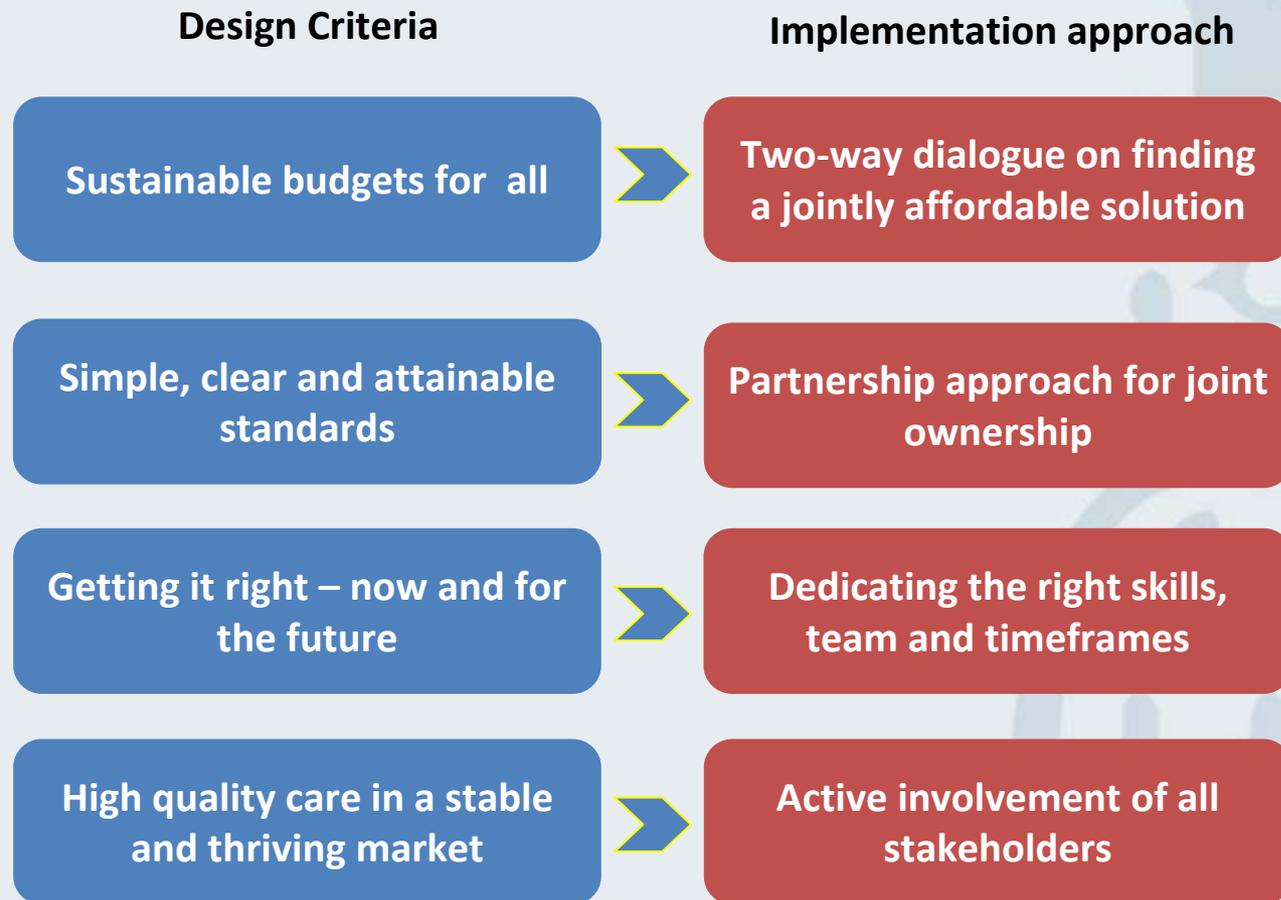
► Largest item of expenditure of any LA budget

As this is the largest area of expenditure for any Social Care budget there is real scope for change through the renegotiation of contracts over a longer timeframe. This de-risks the process of annual negotiation with providers and lowers transaction costs, creating efficiencies for all parties concerned.



Leeds is setting an enterprising way forward

The Quality Framework co-produced by Leeds City Council and Ernst & Young turns these challenges on their head.



Overview of the Quality Framework

The diagram below reflects the core elements of the Quality Framework (QF) and builds in good practice from other local authority settings. This model and the detail underlying it is the subject of ongoing development by Leeds City Council and Ernst & Young.



There are clear benefits for everyone

For People and their Carers this will:

- ▶ enable improvements in quality of care that is tailored and personalised to individual outcomes
- ▶ assurance on safeguarding, sustainability and standards of care
- ▶ provide assurance for carers and families that their loved ones are getting the care they need

For Elected Members this will:

- ▶ help them to provide oversight and improve understanding of care home market standards of care
- ▶ help them to represent people and ensure accountability in the biggest area of adult social care spend

For Commissioners this will:

- ▶ help them to better understand the market and fee structures thereby enabling more informed decisions
- ▶ enable negotiation of sustainable fees by using 'affordability' as the starting point
- ▶ minimise threat of legal action
- ▶ provide a solution that is better aligned and fit for the future (with potential to link with NHS partners)
- ▶ provide a means to agree on what a fee supplement could consist of and how this differs to sanctioning a payment for care

For Providers this will:

- ▶ enable active contribution to the development of the Quality Framework and agree sustainable fees for all
- ▶ become more alive to the opportunities in the market and mature towards innovation
- ▶ build a better relationship with Commissioners
- ▶ create sustainability over a 5 year period rather than renegotiated each year. This de-risks their investment.

What has been achieved in Leeds so far:

- ▶ Identified ability to manage and contain anticipated demand pressures
- ▶ Enabled skills transfer for more effective commissioning by the Adult Social Care commissioning team
- ▶ Enabled a broader view and more accountability from contribution of Elected Members
- ▶ Provided assurance on future market stability in the wake of the Southern Cross collapse
- ▶ Minimised the threat of legal challenge through a partnership approach
- ▶ Improved the commissioner-provider relationship through the collaborative development of shared goals
- ▶ Enabled greater understanding by providers to take account of the LA perspective on financial pressures
- ▶ Paved the way for a joint and seamless approach to outcomes based commissioning across health, social care, and third sector groups
- ▶ A mechanism to engage a wider group of stakeholders in validation of quality, for example, NHS staff, dignity champions, care managers, with some degree of self validation from providers

Common myths about managing cost pressures in residential care....

Myth 1:

There is a set formula and percentage that delivers the required return on investment for providers and there is a direct link between high quality providers and high direct and indirect costs

Myth 2:

A decreasing fee level is the primary driver of successful judicial reviews

Myth 3:

Setting standard fee levels deteriorates relationships between commissioner and provider

Myth 4

Providers and Commissioners understand the local market well

Thank you

