

JOINT COMMISSIONING BOARD

Agenda Item 37

Brighton & Hove City NHS
Teaching Primary Care Trust
Brighton & Hove City Council

Subject:	Independent Sector Care Home and Domiciliary Care Fee Increases 2009/10		
Date of Meeting:	22 nd January 2009		
Report of:	Director of Strategy, PCT Director of Adult Social Care & Housing, Brighton & Hove City Council		
Contact Officer:	Name:	Ambrose Page	Tel: 29-5341
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Key Decision:	No		
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report has been presented to the Joint Commissioning Board (JCB) within the context of the current annual round of fee increase negotiations with those independent sector providers who are supplying care services on behalf of Brighton and Hove City Council.
- 1.2 Its purpose is two fold:
 - To seek JCB approval for the proposed fee increases for inclusion within the budget 2009/10 package, for In City care homes providing services for Older People and Older People with Mental Health Needs (OPMH) within the context of Fairer Contracting.
 - For JCB to note the proposed increases which are in line with inflation, for the following groups of service providers: out of City care homes providing services for Older People and OPMH; care homes providing services for other categories of care where there are no set rates, excluding learning disability services; domiciliary care agencies providing services for all categories of care; and for Direct Payment rates, which enable service users to purchase their services direct, usually by employing personal assistants.

2. RECOMMENDATIONS:

- 2.1 (1) That approval is granted for those in City Older People and OPMH care homes who are eligible for inclusion on the Preferred Provider Scheme be awarded a 3.5% increase, and for those providers who do not qualify be awarded a 2.5% increase (see Appendices 1 and 2), subject to agreement of the 2009/10 budget package. The 2.5% increase constitutes the inflationary increase, whereas the additional 1% is for quality.

- 2.2 (2) That an inflationary award of 2.5% is awarded to the following subject to agreement of the 2009/10 budget package:
- Those in Older People and OPMH care homes who do not qualify for inclusion in the Preferred Provider Scheme
 - Out of City Older People and OPMH care homes
 - Those care homes providing services for other categories of care where there are no set rates, excluding learning disability services
 - Domiciliary care agencies providing services for all categories of care
 - Direct Payment rates

3. **RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

3.1 In City Older People and OPMH Care homes

Fairer Contracting: The introduction of Fairer Contracting processes from April 2009, which have been agreed previously (please refer to previous report Ref: ACS 3345), will mean that the fee levels for care homes are determined in part by the quality of the service. This quality will be determined by the Commission for Social Care Inspection (CSCI) rating, and for nursing homes it will also be determined by the clinical standards as audited by the Quality Review Nurse employed by the PCT. Those care homes rated as either good or excellent will be eligible to join the Preferred Provider Scheme, in which they will be entitled to various benefits including preferred rates, over and above those care homes not eligible to join the Scheme. Fairer Contracting also includes the provision to individually negotiate fees with care homes in those situations where a service user has specific and exceptional care needs which cannot be met within the agreed fee levels.

3.2 *Capacity:* There have been no care home closures over the past year, but equally no new providers entering the local market. These are unprecedented times economically, and whereas previous reports have indicated that market increases are likely, our current understanding is that though there are a number of new providers in the pipeline with developments that are at different stages of maturity, none have reached fruition to-date. Whilst there is adequate residential care home provision for older people and OPMH within the City, there is a lack of in City provision of nursing homes for OPMH evidenced by 50% of placements for this category of care being made outside of the City, and to a lesser degree mainstream nursing home provision. With the introduction of Fairer Contracting it is hoped that good quality providers will be encouraged into the City with a consequent increase in capacity in those areas where this is required.

3.3 *Waivers:* The chart in Appendix 3 details the number of waivers agreed for care home placements made above the set rates between April and October 2008, compared with the total number of placements made for each category of care. This indicates that 12.32% of placements made within this period were subject to a waiver. However, with the introduction of Fairer Contracting it is envisaged that the number of waivers being agreed will decrease as above the rate placements will only be approved in situations where a service user has specific and exceptional care needs which cannot be met within the agreed fee levels.

- 3.4 *Block contracts:* The current block contracts for a number of in City care homes providing both long term and transitional care continue to secure some of the nursing home capacity in the City for both older people and OPMH.
- 3.5 *East and West Sussex Older People care home fee rates:* Appendix 4 shows that with two exceptions the fee rates paid by Brighton and Hove exceed those by its neighbouring authorities, East and West Sussex.
- 3.6 The predicted cost of awarding an additional 1% to those in City care homes on the Preferred Provider Scheme is estimated to be £126,000 for Older People care homes and £22,000 for OPMH in 2009/1.

3.7 Domiciliary Care

The domiciliary care service is central to the Council's policy in enabling people to remain at home whenever possible. New contracts will be awarded to district providers in April 2009 following the tender process. There will be an overall uplift of 2.5% on the home care rates (see Appendix 6) for the 10 district domiciliary care agencies. However, this increase is varied throughout the different rates, so that higher increases go to 60 and 45 minute calls; and lower increases (or even decreases) apply to 30 and 15 minute calls. The Council has traditionally paid disproportionately higher for 15 minute calls for many years, and it is a slow incremental process to claw this back without setting rates that seem unnecessarily punitive to providers. It is recommended that the other rates: evening rate, waking night rate, etc. are simply increased by 2.5%.

3.8 Direct Payments

The 2.5% increase will mean that the £9.45 weekday rate will increase to £9.70, and the £10.45 weekend rate will increase to £10.70.

4. CONSULTATION

- 4.1 Fee rates are a standing item on the agenda of the Fairer Contracting meetings held with the Registered Care Homes Association.
- 4.2 Budget holders and senior managers, both within the Council and the PCT, have been consulted throughout the whole process of Fairer Contracting and the financial implications of this initiative.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications

- 5.1 The recommended fee levels are included within the budget package proposals for 2009/10 and are subject to agreement by JCB. The above inflation increase for the preferred provider scheme is estimated to add a further cost of £149,000 in 2009/10 including the care home incentive scheme. The actual costs will be monitored during the year against the model developed. The forecast 2009/10 cost of nursing and residential placements for Older People is £17,110,000 for 644 Whole Time Equivalents, and for Older People Mental Health is £8,801,000 for 293 Whole Time Equivalents.
- 5.2 The proposed increase for the domiciliary care service and direct payments is in line with the inflationary assumptions within the 2009/10 budget package proposals.

Legal Implications:

- 5.3 There are no procurement issues regarding this report, and the fee increases proposed come within the contractual arrangements which the Council have with the providers included in this report; the only slight difference being the offer of an extra 1% to providers who can demonstrate quality through being rated either 'good' or 'excellent' by the Commission for Social Care Inspection (CSCI). The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report.'

Lawyer Consulted: Sonia Likhari

Date: 23rd December 2008

Equalities Implications:

- 5.4 There are no equalities implications arising from this report. Saying that, the decision not to undertake an Equalities Impact Assessment was because the report does not fall within the criteria whereby one would be required, e.g. developing a new policy. An Equalities Impact Assessment has already been completed on the area of Fairer Contracting within Cabinet Report ASC 3345.

Sustainability Implications:

- 5.5 The Contracting arrangements which underpin these fee increases include clauses on sustainability.

Crime & Disorder Implications:

- 5.6 There are no implications for crime and disorder.

Risk & Opportunity Management Implications:

- 5.7 The main risks associated with these increases are financial and have been set out in the Financial Implications section. The risk involved with not agreeing an improved fee structure which rewards quality may act as a disincentive to care home providers to make improvements in their service provision and delivery of care.

Corporate / Citywide Implications:

- 5.8 Fairer Contracting in particular meets the Council's new corporate priority, 'Better Use of Public Money.' It also meets the previous priority of 'Prosperity' which is about developing a prosperous and sustainable economy.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 Preferred Provider Schemes in use elsewhere in the Country were examined. Providers' comments on alternative Schemes were considered.
- 6.2 There is the opportunity to do nothing. If this were the case it is unlikely that providers would have the resources of the impetus to drive up quality to the standards needed locally. The current good relationships between purchasers and providers would be damaged and the costs of Continuing Healthcare would remain high.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 Fairer Contracting, by paying a fair rate with a fair contract is intended to secure local care home provision for local Older People and OPMH.
- 7.2 At the same time it is intended to drive up quality and make savings for the Primary Care Trust through bringing Continuing Care fees more in line with the Council's fee rates.

SUPPORTING DOCUMENTATION

Appendices:

- Appendix 1: Fee Rates for 2009/10 for Care Homes with Nursing for Older People and Older People with Mental Health Needs applicable from 6th April 2008**

<i>Care Homes with Nursing for Older People</i>	<i>2008/09 Rate (inc FNC)</i>	<i>2009/10 Weekly Rate with 2.5% increase for non preferred providers</i>	<i>2009/10 Weekly Rate with 3.5% increase for preferred providers</i>
Single Band Nursing Shared Room	£490	£502.25	£507.15
Single Band Nursing Single Room	£524	£537.10	£542.34

<i>Care Homes with Nursing for Older People with Mental Health needs</i>	<i>2008/09 Weekly Rate (inc FNC)</i>	<i>2009/10 Weekly Rate with 2.5% increase for non preferred providers</i>	<i>2009/10 Weekly Rate with 3.5% increase for preferred providers</i>
Single Band Nursing Shared Room	£531	£544.28	£549.59
Single Band Nursing Single Room	£565	£579.13	£584.78

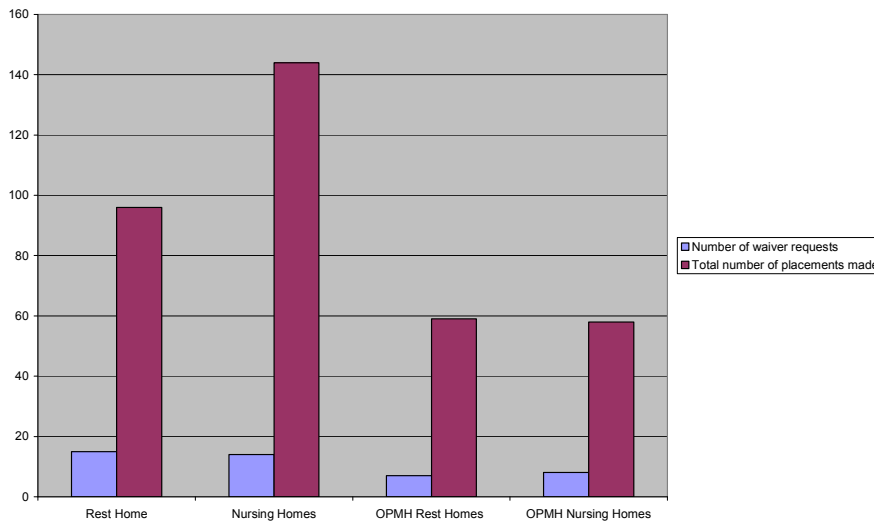
The High Band rates relate to those service users who are already receiving the high level of FNC prior to 1st October 2007.

- Appendix 2: Fee Rates for 2009/10 for Residential Care Homes for Older People and Older People with Mental Health Needs applicable from 6th April 2008**

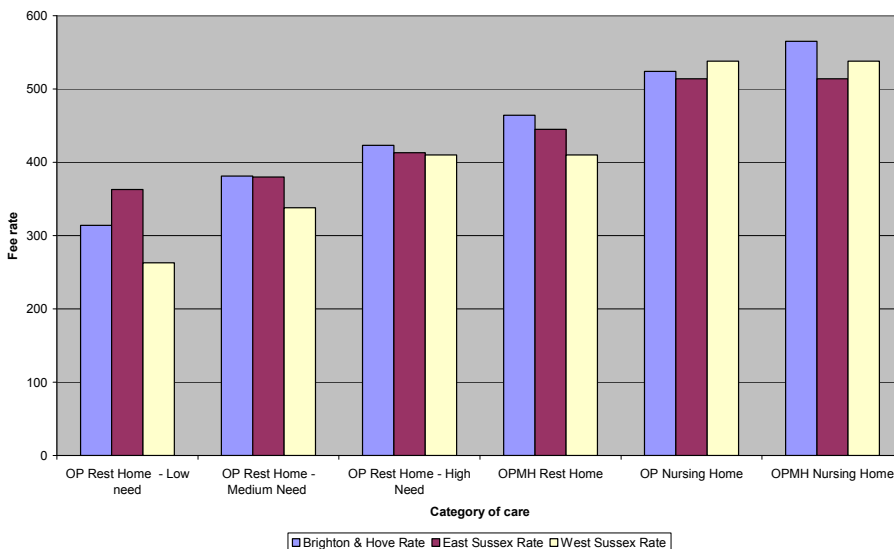
<i>Care Homes for Older People and OPMH</i>	<i>2008/09 Weekly Rate</i>	<i>2009/10 Weekly Rate with 2.5% increase for non preferred providers</i>	<i>2009/10 Weekly Rate with 3.5% increase for preferred providers</i>
Low Need - single room	£314	£321.85	£324.99
Low Need – shared room	£281	£288.03	£290.83
Medium Need - single room	£381	£390.53	£394.34
Medium Need – shared room	£346	£354.65	£358.11

Care Homes for Older People and OPMH	2008/09 Weekly Rate	2009/10 Weekly Rate with 2.5% increase for non preferred providers	2009/10 Weekly Rate with 3.5% increase for preferred providers
High Need - single room	£423	£433.58	£437.81
High Need – shared room	£389	£398.73	£402.62
OPMH - single room	£464	£475.60	£480.24
OPMH – shared room	£430	£440.75	£445.05

3. Appendix 3: Number of waivers compared with total number of placements made in care homes between April and October 2008:



4. Appendix 4: Comparison of Brighton & Hove City Council’s fee rates for 2008/09 compared with those of both East and West Sussex



5. Appendix 5: Proposed Home Care Rates for 2009-10 with an Overall 2.5% increase

Weekday standard care	Number of visits per week	Current Rate for 2008-09	Proposed Rate 2009-10
60 mins	2,962	£12.47	£13.00
45 mins	970	£10.35	£10.70
30 mins	2,211	£8.10	£8.22
15 mins	456	£6.00	£5.95
weekday special care			
60 mins	1,387	£14.10	£14.70
45 mins	848	£11.61	£12.05
30 mins	1,359	£9.10	£9.20
15 mins	456	£6.72	£6.62
weekend standard care			
60 mins	349	£16.38	£17.10
45 mins	348	£13.56	£14.05
30 mins	836	£10.61	£10.75
15 mins	183	£7.81	£7.70
weekend special care			
60 mins	499	£17.74	£18.50
45 mins	334	£14.70	£15.20
30 mins	553	£11.49	£11.65
15 mins	76	£8.47	£8.30