

TITLE OF REPORT: Transforming Care – Older Persons Care Home Model

Purpose of the Report

1. To seek the views of the Health & Wellbeing Board on the current Older Persons Care Home (OPCH) model in Gateshead along with recommendations to transform the way services are delivered and contracted.

Background

2. Gateshead Council has held commissioning responsibility for contracting with the Residential and Nursing care market for many years. The council set the fees annually except for people who have Continuing Health Care (CHC) needs as this is the responsibility of the CCG

The OPCH market has been commissioned in a very similar way across England and Wales since 1993 when Local Authorities became responsible for Residential Care provision. Gateshead has been no different and has followed the standard route to contract and set fees by having a general contract, which in turn puts the responsibility on each organisation to determine which people they can care for through their CQC registration.

Organisations are paid per each individual with a blended fee approach set each financial year. This had been a fit for purpose model for many years where service users had similar needs and there were minimal people with complex care needs in residential or nursing care homes

Market Analysis

3. An analysis of the current OPCH market was carried out recently which has given a strong evidence base that the delivery model is already fragmented.

There are currently 28 care homes in Gateshead with 12 of these who deliver residential care only services, the remaining 16 are dual registered services.

Key findings:

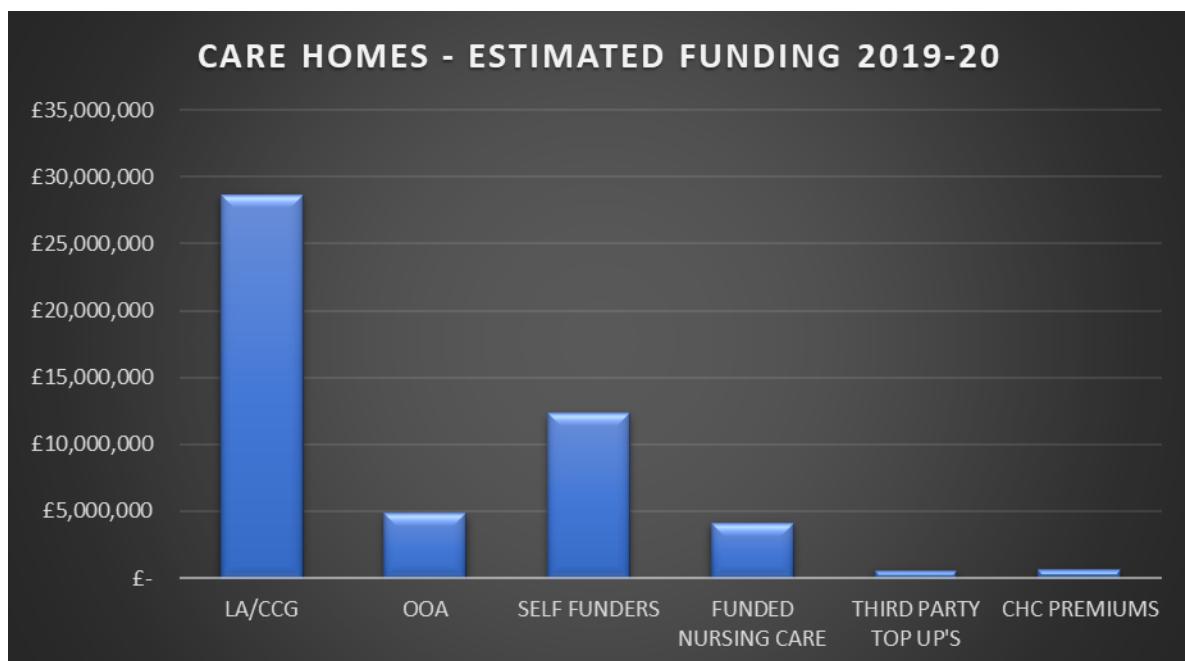
- There continues to be an oversupply in the market with 9% vacancies
- The main oversupply is in the 'East of the Borough' across Felling, Deckham and High Fell wards
- Affluent wards have a greater percentage of the self-funder market
- 87% of self-funders are in residential care placements with a good proportion of these going into long term residential care before they really needed to
- CHC account for 10% of placements with the majority of these within dual registered homes
- 49% of people in care homes have a dementia need

- Out of area placements into Gateshead may be due to lack of EMI Nursing provision in neighbouring authorities
- 79% of homes have a CQC rating of Good or Outstanding
- There has been a 25% drop in quality bands following the QEF assessments in 2018/19

The main conclusion from the data analysis is that there is already a small proportion of homes in Gateshead who are dealing with the most complex needs. The evidence suggests 6 homes have a high mix of CHC placements, Nursing and EMI Residential care.

System Spend

4. For 2019-20 it is estimated that the 28 care homes will receive around £51m to provide care and support. Around £33.3m (65%) of the funding is controlled by the LA/CCG via placements made by us and the FNC contributions.



In addition to the £51m that is paid directly to the care homes, there is a range of wrap around services that also support people living in OPCH. These include:

- Gateshead Equipment Service
- Linked GP services
- Linked Nursing services
- GCP services including OT's, Nurses etc
- Quality Monitoring and contract support across the CCG/LA

Intermediate Care and Assessment beds are also provided within the Council's 3 Promoting Independence Centres (PIC's). Mental Health Concern are contracted by the CCG to provide dementia services at 3 homes; Alderwood, Briarwood and Pinetree Lodge.

Gateshead Contract Model

5. The approach for the delivery of care within the OPCH for Gateshead is the same as per much of the country:

- Generic 'Spot Contracts' for each placement
- Fees set on a blended rate basis
- Quality banding approach to promote quality
- Providers deliver both the social and nursing care needs
- Wrap around services provided by Primary Care

Placements are made on an individual basis with the service user and/or their representative choosing the home that they wish to live in. Financial consideration is also needed as each home can set their own rates that may be above the rates that the Council set. For people who aren't self-funders, a third party top up may be required where rates are higher than the Council rates.

The CCG are responsible for the payment of 100% CHC funded placements, however the Council make payments for the FNC element on behalf of the CCG

Market Challenges

6. There has been a rapid shift in the needs of people being cared for in OPCH. Pressures on the NHS system has resulted in services transferring into the community to support people with more complex needs. This support both prevents people from hospital admissions and also supports more timely discharges following a hospital stay.

Funding streams such as the Better Care Fund (BCF) was introduced to support Health and Social care to provide financial support to improve and sustain provision outside of hospital. Whilst there have been some fantastic services developed or maintained in Gateshead using the BCF which has contributed to the delivery of care within care home settings, there has been little investment into the care home market to support the needs for the most complex people.

There are 5 main challenges to the Care Home Market;

- Sustainable Market
- Financial Viability
- Workforce
- Quality of Care
- Complexity of Needs

Sustainable Market – Providers are leaving the market with both National and Regional organisations struggling to operate a healthy business model. There are many factors for this, with the two main reasons are the occupancy levels and the fees paid to deliver care. Gateshead has an oversupply of beds along with our blended fee rates are not suitable for people with the most complex needs.

Financial Viability – The market is now competing for placements due to the oversupply of beds. Some of our homes are operating well with a good mix of people to balance the blended fees, along with very high occupancy levels. Over 20% of our homes have high levels of vacancies which brings into question the long-term financial viability of these homes.

Workforce – In my opinion the biggest pressure to the Health and Social Care system. Approximately 76,000 care worker vacancies exist around the UK and with an ageing workforce this is likely to increase in the years ahead. Pre-2010, care workers were paid well above national living wage and care was a good area to work in especially in the North East. Since Austerity, the fees that LA's have paid for Care have overtime resulted in Providers having no choice but to pay care workers NLW and are now not even competing with other sectors such as retail.

Quality of Care – Due to all the challenges faced, the quality of care is dropping in Gateshead. Over 30% of our homes have been in the 'Serious Provider Concerns' process in the last 2 years and most recently, the Quality Excellence Framework that determines which quality band a home is in and paid, has seen a net shift of 25% homes dropping down in bands.

Complexity of Needs – The needs of people being looked after in Care Homes are continuing to become more complex. People are going into Care Homes at later stages of their life with more complexities. General residential care numbers have been dropping significantly over the last few years with more admissions for advanced dementia and end of life care. People with Nursing needs are now going into care homes on average for the last 9 months of their life, and those with residential care needs for less than 2 years.

Principles for Transforming the Delivery of Care

7. The complexities of people within care homes are more challenging than ever before and with people living longer services won't be the same in the next 5 years.

The vanguard project enabled Gateshead and Newcastle to test and introduce a range of inventions to support the Care Home provision and bring improvements into the system. Through this work, Gateshead is in a prime position to look at a different approach as to how we support older people living in care homes over the next decade.

By default, the market has evolved, and providers have determined their own business models to determine their target client group for each of their care homes.

Through the data analysis work there is a clear indication of a core set of care homes who are already working with the more complex people in the system. There are however still many homes who continue to target the lower level needs

service users and decline referrals for people with complex needs from the outset

The system has two choices:

1. Continue as we are and hope the market responds to the rapidly changing needs
or
2. Take control and look at transforming how we care and support people living in care homes

Over the last 12 months conversations have taken place with a range of stakeholders with regards to the challenges the system faces and areas of opportunities have started to be explored

Now that the funding for CHC has been resolved, the Care Home Association have started to fully engage in working together to look at different delivery approaches

Consultation

8. Over the last 6 months consultation has been carried out on the principle of a new Integrated Model.

A 'Walk the Wall' has been at both the Council and CCG Offices with regular sessions taking place taking key colleagues through the approach. This has included senior management across both organisations as well as operational workers.

A Members seminar was held on 27th February 2019 regarding the future Integrated approach and feedback was very positive on the proposals

The Care Home market has been engaged on the future approach via both the Joint Provider Forums and through individual discussions. On the whole providers are extremely positive around a different approach and see this as the only way their homes can improve quality and outcomes as well as becoming sustainable for the long term

There are several providers who have concerns though as they see a different approach impacting on their current services. A new way of working won't suit all providers and some will need further convincing to part of it or they decide to continue to deliver standard care outside of our future contract arrangements

Transformation Plan

9. We need to a new approach as to how we commission services to gain control of how and by whom services are delivered within care homes.

The current approach is no longer fit for purpose for both the OPCH market or for the Council and CCG. In order to address some of the major challenges the Market is facing, a new approach will ensure that we have the right number of care homes in Gateshead that are sustainable, offering choice and good quality care.

The Council and CCG are willing to work together to transform services by pooling resources across the system and exploring the potential approaches for Gateshead over a 10 year plus period.

The full transformation of service delivery will take several years however we need to agree in the next phase the outcomes needed to help design the contract and fees model.

A steering group needs formed with key stakeholders across the system to drive the transformation agenda forward. A detailed project plan will be developed and monitored by the steering group against achievable timescales.

Delivery models will be co-produced and will be designed in partnership with the care home market alongside current and future users of services.

To ensure that every pound in the system is effectively spent, a blank canvas approach is needed with a fit for purpose model of care introduced. By looking at a whole system approach, this will ensure that we can have the right services in place, in the right locations and delivered by the most appropriate organisations who can deliver good quality care that is affordable.

Potential Timeline

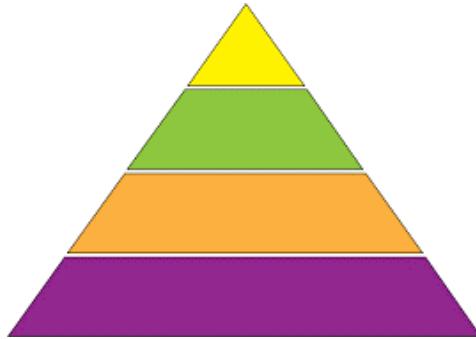
KEY STAGES	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20
Report to relevant LA/CCG Groups													
Steering Group Formed													
Project Plan Agreed with Resources													
Provider Engagement													
Delivery Models Considered													
Recommended Model Agreed													
Cabinet Report & Public Consultation													
Contracts & Specifications Developed													
Contract Award Process followed													
Award of Contracts													
Service Transition													
Contracts Commence													
Phase 3 Commences - Wrap Around Services													

Delivery Model Example

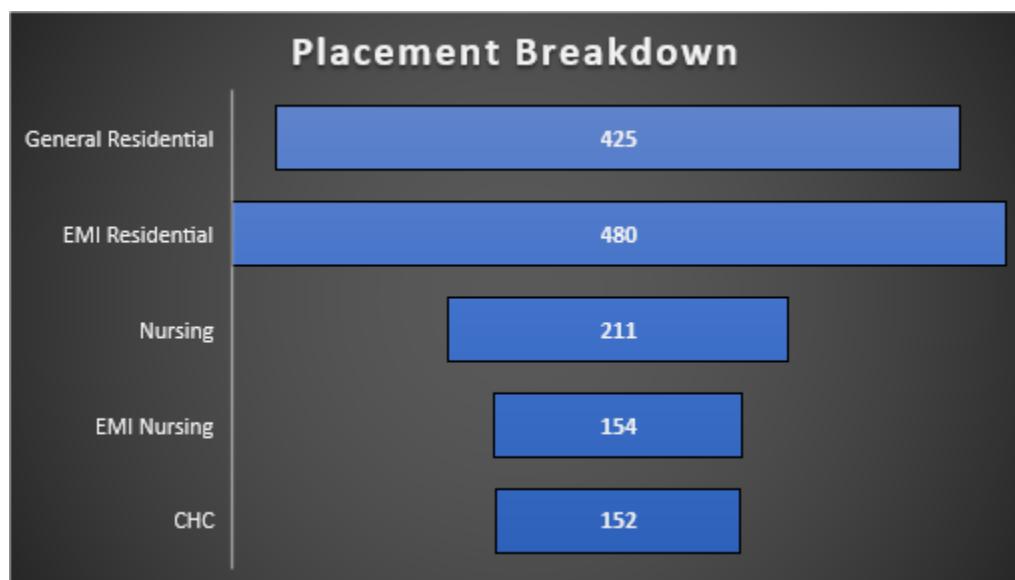
10. From the market analysis and the feedback from the 'Walk the Wall' sessions, there is already a sense that a proportion of care homes already deliver care for the most complex people but have the same funding levels and wrap around services as those who deliver lower level care.

As the system is already under severe financial pressure, we need to look at a way to have a financial sustainable model that recognises to different complexities of individuals.

The traditional pyramid concept with the lower level people being on the bottom with the most complex at the top is no longer a fit for people in care homes;



The number of general residential placements is reducing with demand increasing for the top 3 areas; Nursing, EMI Nursing and CHC.



The assumption is that most complex care is within the nursing provision with the current numbers of 517 beds being occupied across 16 dual registered homes. We already know that 6 of these are dealing with the majority of the most complex (CHC & EMI) yet the other 10 are contracted the same and have the same blended fees being paid.

It would seem to make sense to contract with a set number of homes on a block basis / preferred provider route to create specialist care home provision in the borough

Outline Specialist Contract Concept

1. Each of the homes would have a specification that would cover the required beds and in turn they would be responsible for the equipment, technology, nursing and staffing of the service for the required number of beds being purchased.
2. The price would be set for the duration of the contract (10 years) to cover the above costs and would have annual price increases mechanisms pre planned.
3. The average number of beds per contract would be 43 with each having on average; 15 CHC, 13 EMI Nursing and 15 General Nursing placements

4. This equates to 80% of EMI Nursing, 80% of CHC and 50% General Nursing placements being paid via a block approach given the confidence to those homes they will fill those beds
5. All other placements will be made on a spot basis as this will cover people's choice as well as give us the safety net should demand ever drop which is unlikely
6. Spot placements may happen outside of the specialist homes if needs can be met and people choice alternative homes
7. Wrap around services will be reviewed for best value and new approaches to be considered to put more resources within the specialist provision
8. Performance measures introduced which links into payments for both the contract homes and some of the wrap around provision to promote innovation and joint working

Additional Benefits of Integrated Model

11. As well as improving quality and having a more sustainable market, the integrated approach will have other key benefits to the system. This includes;
 - Control of system budget if demand can be managed and forecasted appropriately each year
 - Long term mechanism within contract to set fee rates each year which takes away the long-negotiated approach with the Care Home Association
 - One contract and specification for Providers
 - Payments to providers may through one system
 - Standard fees across the system
 - Future joined up teams for Case Management
 - Streamline panel process for charging purposes
 - Removal of quality band approach
 - Payment by results/performance approach meaning providers held to account
 - Potential joint quality monitoring team supporting specialist provision
 - Focus away from working with poor quality homes and resources working with the best performing homes
 - Reduction in hospital admissions and delayed discharges
 - No further delays for appropriate equipment for specialist provision

Recommendations

12. The Health and Wellbeing Board is asked to consider the potential integrated approach for the delivery of care within the OPCH and support:
 1. A joint approach for the LA and CCG along with an agreed pooled budget approach
 2. The formation of a Steering Group with representation across all key stakeholders
 3. The project with the required resources across the various teams to drive forward the transformation

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