

My life
a full life

Fee Review 2017/2018

Monday 3rd July 2017

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Welcome and Introduction

AGENDA

Welcome and Introduction	16:00
Isle of Wight Council budget 2017/2018	16:10 – 16:30
iBCF Support for Providers 2017 - 2019	16:30 – 16:40
Isle of Wight NHS CCG budget 2017/2018	16:40 – 17:00
Approach to Fee Review 2017/2018	17:00 – 17:05
Outcome of Fee Review 2017/2018	17:05 – 17:35
Integrated Commissioning landscape and the future	17:35 – 17:45
Questions and answers	17:45 – 17:55
Close	18:00

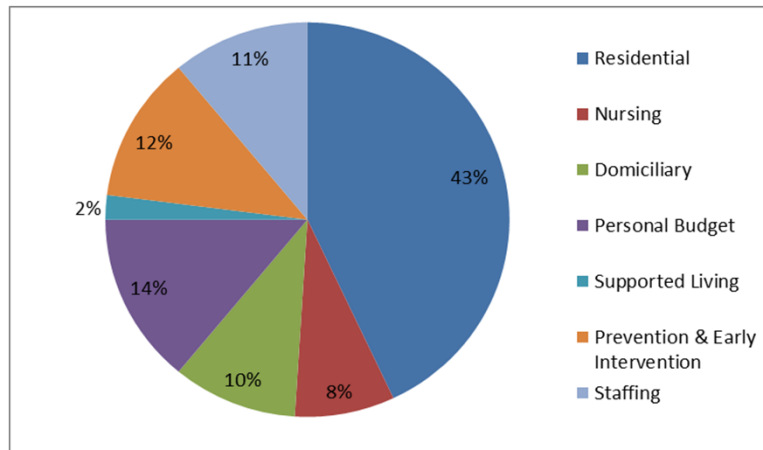
Isle of Wight Council Budget 2017/2018

Carol Tozer

Budget for ASC 2017/2018

Adult Social Care net budget May 2017 £48.5m (Outturn 2016/17 £50.7m)

Budget breakdown as follows:



5

Budget for ASC 2017/2018

Challenging Adult Social Care savings target £3.5m

Additional council tax increase (the additional 1% equated to £700K) and ASC grant (which was £720K) used towards the reduction in support for adult social care from the CCG and demographic and cost pressures.

6



Approach to the Improved Better Care Fund (iBCF)

The Chancellor announced an extra £2bn funding in the Improved Better Care Fund on the 8th March 2017. The Grant conditions were confirmed on the 27th April 2017 as:

- a) Adult social care and used for the purposes of meeting adult social care needs
- b) Reducing pressures on the NHS
- c) Supporting the social care provider market

Government confirmed (last week) that local government did not need to demonstrate spend in all three areas, but rather focus on local conditions

The Isle of Wight allocation is: £3.2M in 2017/18; £2.1M in 2018/19; and £1M for 2019/20. It is ZERO thereafter

We have developed our proposals for the iBCF with the CCG – and agreed that locally, in meeting the grant conditions, that we would use the funds to support the system to “shift to the left.” We have also engaged the independent sector and the voluntary and community sector in drawing up specific proposals.

7



Allocation of the iBCF 2017/18

iBCF Scheme	Allocation
Transfers of Care Supporting Hospital to Home BCF Scheme	£389K
Technology Enhanced Care Supporting Promoting Independence (equipment) BCF Scheme	£524K
Reablement Supporting Rehabilitation, Reablement & Recovery BCF Scheme	£521K
Early help	£880K
Care Close to Home	£647K
Support for providers	£441K

8

Key features of iBCF support for providers programme

- Offer co-designed with providers
- Delivery will be sector led
- Based on independent training needs analysis
- Lead by 'outstanding' provider – Earl Mountbatten Hospice
- Reduces provider cost base by removing training costs
- Helping providers move forward and develop or retain higher quality provision
- Will support wider workforce development

Support for Providers – The Training Offer



Support for Providers – Independent Chair

iBCF will also be used to provide funding to support the associations in the appointment of an independent chair and to provide administrative/facilitator support for this role.

Based on representations from the existing association chairs

Intention = to help providers engage more effectively with each other and with health and social care authorities

To facilitate a minimum of 6 cross sector meetings each year

Health and Social Care Market Day(s)

- Annual event
- No charge to exhibit or attend
- Modelled on the annual Safeguarding Adults conference
- 3 key features
 1. Conference
 2. Market Place – for providers to interact with other professionals and people in the community who may be looking to purchase services
 3. Recruitment opportunity
- 9th and 10th September 2017

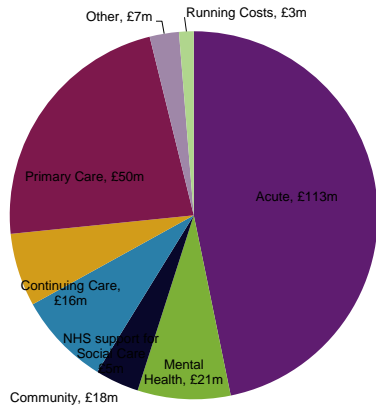
Engaging the independent sector in commissioning

- We will be advertising a 12 month secondment opportunity for someone from the sector to join the Joint Commissioning team now led by Jonathon Smith
- We will backfill the costs to the provider – and we will ask the Associations to support the interview process
- The intentions behind this are: we need to work WITH providers to change existing business models including: rolling out new care models (e.g., whereby providers support a local area via bed backed AND home support); greater focus on reablement; individualised commissioning within residential/nursing care; commissioning for outcomes; and incentivising quality.
- We will evaluate the impact – and look to see whether we can mainstream this
- We are also doing this with the voluntary and community sector so that we mainstream and embed our commissioning of early help – meaning that there may also be specific initiatives joining up the independent and VCS sectors

Isle of Wight NHS CCG Budget 2017/2018

Gillian Baker

IOW CCG - How we spend our allocation



- Acute care 49%
- Primary Care (prescribing) 12%
- Community 8%
- Mental Health 9%
- Primary Care (GPs) 9%
- Continuing Healthcare 7%
- Other programme costs 3%
- NHS support for Social Care 2%
- Running costs 1%

- 2017/18 budget of £233m**
- Programme (healthcare) **£230m**
 - Running costs **£3m**

Financial Position

Year	Growth £m	Allocation £m	Required out-turn	Savings required to deliver out-turn £m
16/17	£2.8m (1.4%)	£234m	Break-even	£6m (2.5%)
17/18	£0.3m (0.2%)	£233m	Break-even	£12.9m (5.6%)
18/19	£0.1m (0.1%)	£233m	0.5% surplus (£1.2m)	£5.7m (2.5%)

- Legal financial duty to meet required out-turn.
- Average national growth is 2% higher than CCG is receiving, as 10.06% over allocation target. By 18/19 CCG this will be 8.2% due to minimal growth.
- Average national efficiency (savings) is 2%, so CCG requirement significantly higher.

Response to Financial Position

- Reducing demand through:
 - Prevention and early intervention schemes
 - Reducing procedures of limited clinical effectiveness, unless exceptional criteria met e.g. cosmetic surgery
 - Stopping or providing in other ways activity that doesn't add clinical value e.g. some follow up out-patient appointments
- No new investment, without either new national funding or identifying savings to off-set the cost.
- Redesigning the way in which services are delivered, to achieve good outcomes for less cost e.g. Mental Health.
- Prioritising services and reviewing access thresholds.

Approach to Fee Review 2017/2018

Carol Tozer

Approach to Fee Review 2017/2018

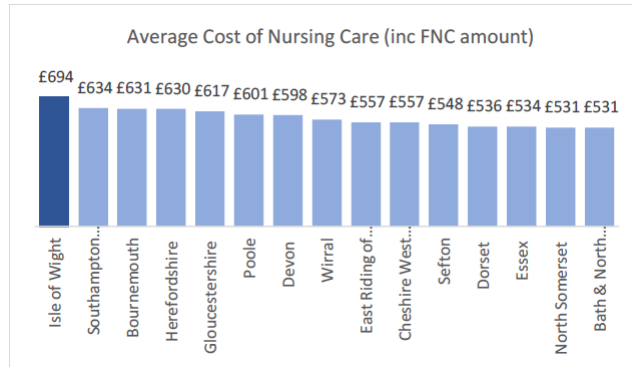
Guidance within the publication CIPFA "From cost to price" May 2017

'Undertaking local cost analysis has the benefit of providing information on actual as opposed to theoretical costs, which means commissioners are better able to take account of local circumstances. Adjustments can be made to ensure that unacceptably low costs, for example wages that would breach National Minimum Wage regulations, are avoided, or that adequate provision is made for training.'

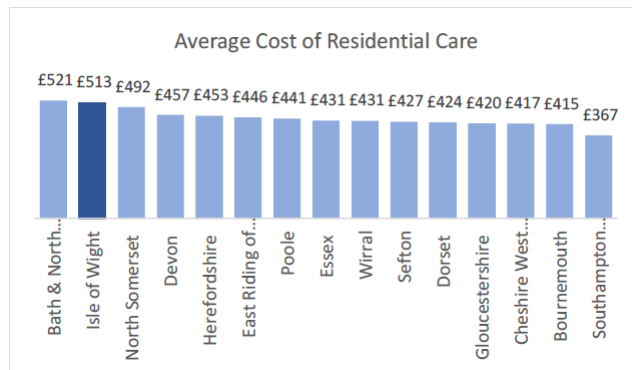
'Authorities using this approach have found it a good way to demonstrate how provider costs have been taken into account when setting fees, as required by the Care Act 2014, and to explain the rationale for fee uplifts.'

- Evidence based – we asked for evidence of costs and pressures from providers in all 3 areas
- Comparative analysis – near neighbours and LA comparator group
- Incentivise the development of home care
- Equalise payments across CCG and ASC

Comparator Information – 2016/17

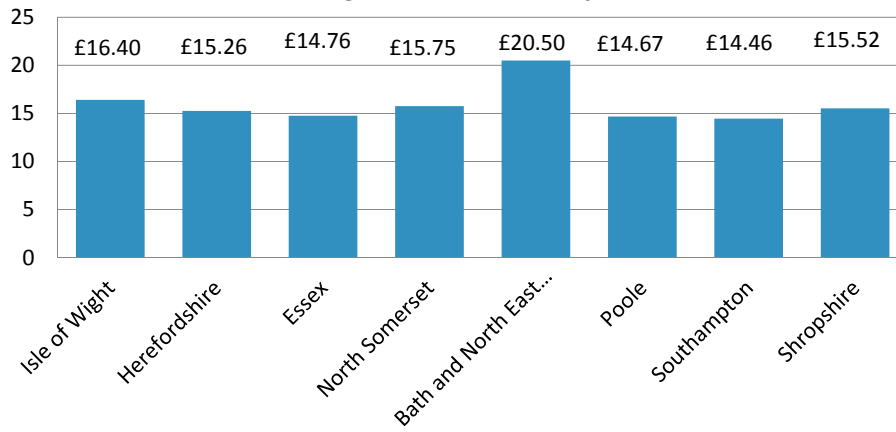


Comparator Information – 2016/17



Comparator Information – 2016/17

Average cost of domiciliary care



Timeline

05.04.2017

- Consultation with providers commenced
- Joint process for IWC and CCG
- 56 days for submission of information from providers across all market sectors

09.06.2017

- Consultation closed

27.06.2017

- Review of submitted information concluded
- New fee determined



The Process

All information from providers has been reviewed and taken into account in the fee review process.

The return rates from the sectors are as follows:

- Nursing Care – 82% of homes (87% of total beds)
- Residential Care – 15% of homes (17% of total beds)
- Residential Care LD – 36% of homes (57% of beds)
- Homecare – Association return & 4 other providers

25



The Process

Cost	Mechanism for review
Staffing Costs	Local calculation based on submitted pay information from providers
Operating Expenses	Specific CPI used – then adjusted based on submitted information from providers
Finance Charges	Specific CPI – negative CPI impact removed

26

The Process - adjustments

What do we mean by 'adjusted based on submitted information from providers'

Where evidence has been submitted, this have been used to override (i.e., increase) the CPI value to reflect the actual increase incurred by providers:

- Food
- Waste disposal
- Maintenance, repairs & renewals
- Telephone costs
- Insurance charges
- Subscription charges
- CQC fees increases
- Council Tax and NNDR
- Finance charges

Outcome of Fee Review 2017/2018

Carol Tozer

General Residential

Band	2016/2017	2017/2018	% uplift
2	454.93	465.50	2.32
2D	476.49	487.55	2.32
3	560.14	573.16	2.32
3D	560.14	573.16	2.32

Base rate uplift (CPI September 2016) = 0.50%
 National Living Wage Impact = 1.17%
 Auto enrolment costs = 0.65%

Learning Disability Residential

Band	2016/2017	2017/2018	% uplift
2	505.68	516.39	2.11
3	732.69	748.16	2.11

Base rate uplift (CPI September 2016) = 0.08%
 National Living Wage Impact = 1.30%
 Auto enrolment costs = 0.73%

General Nursing

Band	2016/2017		2017/2018		% uplift
	Rate	With FNC	Rate	With FNC	
Basic Nursing	629.37	785.68	643.02	798.07	2.17
Dementia Nursing	726.32	882.63	742.07	897.12	2.17

Base rate uplift (CPI September 2016) = 0.43%
 National Living Wage Impact = 1.06%
 Auto enrolment costs = 0.69%

General Homecare

2016/2017	2017/2018	% uplift
16.40	16.88	2.93%

Base rate uplift (CPI September 2016) = 0.50%
 National Living Wage Impact = 1.17%

Area	2016/17 Rate (exclusive of 2.5% CQUIN)	2017/18 Rate	Uplift	Comments
Residential Care				
High Level Residential Dementia	£653.38	£668.57	2.32%	Rate uplifted based on Residential uplift joint review
Nursing Care				
Standard Nursing Rate*	£757.09	£798.07	5.41%	CQUIN removed and rates aligned to LA rate plus FNC
Nursing Dementia Rate**	£816.37	£860.58	5.42%	CQUIN removed and rate uplifted in line with Standard Rate uplift
Higher Nursing with Dementia**	£860.35	£897.12	4.27%	CQUIN removed and rates aligned to LA rate plus FNC
Homecare Services				
Hourly rate	£16.40	£16.88	2.93%	Rate aligned with Local Authority
Per three quarter hour rate	£12.30	£12.66	2.93%	Rate aligned with Local Authority
Per half hour rate	£8.20	£8.44	2.93%	Rate aligned with Local Authority
Sleep-in rate per hour	£9.89	£10.18	2.93%	Rate aligned with Local Authority
Wakeful rate per hour	£12.31	£12.68	2.93%	Rate aligned with Local Authority
1:1 (excluding Special Prices & Mainland Placements)				
Hourly Rate	£11.40	£11.65	2.17%	Rate uplifted based on Nursing uplift joint review

* Rate paid for Transitional Funding & EOL Placements

** Rate paid for agreed Specified Units

Integrated Commissioning Landscape and the Future

Jonathan Smith

Assistant Director - Integrated Commissioning

Integrated Commissioning

1. IWC and CCG **WILL** be working together
2. Co-production of service specifications with those who access services and providers – NB: secondments from the independent and voluntary and community sectors will help secure greater commissioning capacity and capability
3. Alignment of contract terms across IWC and CCG
4. Alignment of contracting processes across IWC and CCG
5. Alignment of Quality Assurance and contract management across IWC and CCG

Any Questions?

Thank you for attending