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The Care Bill – how the commissioners are preparing



The imminent Care Act is set to bring changes for care home managers. Ray Hart, director, Valuing Care, provides an insight into how commissioners could be preparing, the stage they are at in their preparations, and the implications that this will have on care home pricing.

As the biggest overhaul of social care in England for more than six decades, the Care Bill is in its final stage of debate in the House of Commons, and will be passed into law this year. As far as commissioners are concerned, the early signs suggest a mixed picture. Some councils are already discussing the ramifications. But a significant number are still not looking at the issue seriously.

It is common to hear commissioners say they need to complete the financial year before they begin to address this. In view of the level of savings they need to reach, their predicament is understandable. However, the sheer scale of the change means that councils need to move into implementation mode sooner rather than later.

The two key elements that commissioners currently focus on are:

- How do we gear up for the estimated 500,000 extra assessments nationwide?
- How do we deal with the care cap implementation, the major market pricing implications, and cost pressures that could arise from implementation?

Implications on fee rates

There is a general recognition by commissioners that the pricing of self-funder packages is helping to maintain capacity in the market, and it will need to continue to do so. There does not appear to be a general desire to bring all the rates down to the Usual Price paid by the authority. Commissioners understand that this is both unlikely and unsustainable.

Inevitably expensive cases will still exist, and ultimately it is these cases that will have to be challenged. This may be the role of commissioners, or of third party brokers who play a major part in the support package for self-funders.

As for fee rates, the care cap is hinged on three important figures:

- The accommodation cost (not countable)
- The local authority allowed care costs (countable)
- The element of care cost above the standard (not countable)

In recent years there has been an increase in requests for validations of council usual rates, primarily as a response to challenges from providers on the rates paid by local authorities. Currently the greatest disparity is in the cost of providing the nursing element, which is on average £30 per week more than funded nursing care income.

With the implementation of the care cap, the validation of rates will change from a simpler usual price validation, to a more complicated calculation of these three distinct cost elements.

This could just be a theoretical exercise used as a first stage towards implementing the capping levels. However, the added element is now the new financially interested part - the self-funder. It would be in their financial interest to challenge any care cap calculation where the figures

appear low as none of this additional cost will count to the cap, and the self-funder will run down their resources faster, and wait longer, until they can claim from the state.

Self-funder - a new dimension

Until now there has been a straight debate between the providers lobbying for more reasonable fees, and the local authority trying to manage price rises with an increasing tight budget. The self-funder challenge will bring a new dimension.

Over the past ten years there has been an increase in organisations helping individuals claim Continuing Health Care funding. Could this be the start of a new industry of 'class action' where groups of self-funders complain that the cost elements of their care are not reflected in the care cap calculation? Could they make a case that they deserve to receive state funding sooner?

Raising the costs allowable by the care cap will not only have ramifications on the number of individuals being able to move over to state funding, it will also have implications on the usual price that councils pay for their own supported residents.

It will be an interesting debate when the first self-funder complaint surfaces.

Valuing Care provides market pricing information to providers through its strategic partnership with Tendering for Care, which specialises in public sector tendering support and tender writing for all care services.

Valuing Care also provides pricing and financial negotiation services on care rates for commissioners. For further information visit www.valuingcarefm.com, telephone 01273 757 233 or email enquiries@valuingcarefm.com