A pioneering approach to care home placements

Continuing Healthcare (CHC) are packages of care which are arranged and funded solely by the NHS for individuals outside of hospital. Those who are eligible have been assessed as having substantial and ongoing care needs and can receive CHC in their own home or a care home. All six Clinical Commissioning Groups in Staffordshire (Cannock Chase, Stafford and Surrounds, South East Staffordshire and Seisdon Peninsula, Stoke-on-Trent, North Staffordshire, and East Staffordshire) have initiated a new approach to managing CHC using a Dynamic Purchasing System.

The demand for CHC is increasing, as is the cost. Staffordshire has been particularly heavily affected, with an average growth rate of 13% over the last three years. Procurement has traditionally been made by spot purchasing with limited choice and qualitative measurement, little contractual management and no control over price. The six Staffordshire Clinical Commissioning Groups explored a new approach to tackle these problems by implementing a scalable, web-based Dynamic Purchasing System (DPS) called Adam.

The Aims

The Clinical Commissioning Groups wanted to:

- Improve measurements around quality – specifications were not being met and care home providers were not facing any consequences
- Improve personalisation of care and delivery on meeting social needs
- Improve speed of placement
- Reduce costs – the nature of spot purchasing led to uncompetitive rates and the cost of CHC in Staffordshire is one of the highest in the country
- Increase capacity – 87% of placements went to 69 homes out of a potential market of approximately 200
- Improve supply chain management – only 14% of homes had a contract
- Create a fair marketplace – using the open framework approach
- Simplify payment mechanisms
- Managing expectations in Staffordshire, where patients/families were accustomed to choosing their care home regardless of cost or suitability. We achieved this through close working relationships with referral points such as hospital discharge teams and our advocates on hospital wards
- Much of Staffordshire’s population lives close to the county borders and in towns with few care homes so some areas initially proved difficult to make placements in. This was addressed by engaging with ‘out of area’ homes in Wolverhampton, Dudley and Sutton Coldfield
- Getting approval from NHS England. This was achieved through a contract that delivers benefits of scale on the transaction fee. Funds are held in a protected client account with weekly reporting and penalties for non-performance around savings. Adam also has indemnity insurance in excess of the balance of funds held at any one point in time

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The Execution

Midlands and Lancashire Commissioning Support Unit (MLCSU) implemented Adam to manage the market for all Staffordshire CCGs and place patients effectively in the best possible care homes for their particular needs.

When a patient becomes eligible for CHC, their requirements are entered onto Adam, and then issued to all eligible homes within a set distance, who decide if they are able to meet their needs, and make an offer via the system. After a set period of time, usually 24 hours, offers are closed. They are then ranked based on a 60% quality weighting and a 40% cost weighting.

Adam allows providers to join at any time, provided they satisfy the qualitative and financial criteria. To ensure consistent quality the system has a built-in “floor” price, below which we do not consider that services can be safely delivered. Service agreements and billing are automated.

We engaged all care home providers in and around Staffordshire to explain why we were introducing Adam and to train them in using it. We then enrolled almost 200 care homes, which involved checking credit scores, insurance details and Care Quality Commission ratings.

We recruited a “brokerage team”, including a senior clinician, to sit within our Continuing Healthcare team and co-ordinate all details. This has freed up hospital staff, CHC nurses and community teams to spend more time delivering frontline care.

We also trained referral points – hospital discharge teams and community nursing teams – in the new system and produced information leaflets for patients, families and carers so that they clearly understood the process and the reasons for it.

Since implementing Adam there has been ongoing engagement with care homes and patients to ensure that they are getting the most out of the system.

The Outcomes

This is the first Dynamic Purchasing System to be implemented in the NHS in the field of Continuing Healthcare. It’s a new and innovative way to address procurement issues using an open framework.

Adam went live in March 2016 and by November 2016 nearly 800 placements had been made via the system. The quality rating on placements to date is 90% and any deficiency in quality reduces the likelihood of that provider winning further business. With almost 200 providers enrolled on the system, there is a far more sustainable and robust marketplace than before. On average there are three offers per patient, challenging the perception that there is no capacity.

On a like-for-like basis prices have been reduced by 8% year-on-year, which is worth £700,000 to date. Over the four-year contract the anticipated saving is in excess of £5million.

Rather than relying purely on Care Quality Commission (CQC) ratings, Adam ensures a comprehensive approach to quality management. A contract is created for each patient, which allows us to better manage the performance of providers. The system also enables providers to report on regular, meaningful quality metrics, such as falls and pressure sores.

The payment system has been streamlined, with one weekly consolidated invoice per CCG as opposed to one invoice per patient. This has allowed us to reduce our finance invoice payments team and remove overpayments, saving both time and money. The contract negotiated with Adam ensures that as spend going through the system increases, the transaction fee payable to them decreases, which will further maximise savings.

Since the start of the project the time taken to place a patient has halved. Work is taking place in consultation with the discharge teams to improve this further. There have been virtually no amendments to packages, whereas previously there was a history of repeated changes.

Comprehensive data on market activity and details of where there are specific capacity issues means work can now be done to address any gaps.

Word has spread about how successful the system has been in Staffordshire and it is now being rolled out in Cheshire, some CCGs in Merseyside, and potentially Lancashire. We are also in talks with some local authorities, particularly Staffordshire and Stoke, due to the synergies between health and social care.

We have been contacted by numerous CCGs, both within and outside of our current customer base, and we have made eight visits to present our success and shared learning. Many are keen to expand into other categories of care.

Learning

- Quality management of care homes is generally limited to Care Quality Commission ratings and occasional visits, whereas this system offers the capability for regular, proactive quality monitoring and management through self-reporting, which has proved beneficial.
- Don’t be afraid to try something new. There was plenty of evidence of Adam’s success in other areas but this was the first example of introducing a competitive tendering process at the point of need for CHC – resulting in reduced prices and increased quality. We benefited from a great client relationship in this respect as Staffordshire had faith in exploring a different approach.
- Ongoing engagement with affected stakeholders, from concept through to implementation and beyond, is vital. All those involved – patients, families, care home providers, commissioners – need to understand the changes that are being made, the reasons for them and the benefits they intend to deliver. We were open and honest in conversations, telling everyone the full story from the outset, which helped gain support from all parties involved.

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