

IMPLEMENTATION OF NHS FUNDED NURSING CARE IN CARE HOMES FROM APRIL 2003

Report of the Director of Social Services

SUMMARY OF REPORT

1 The report describes the work required to implement NHS Funded Nursing Care in Care Homes from April 2003 and seeks approval for the following interim arrangements with Greater Derby Primary Care Trust and Central Derby Primary Care Trust (PCTs):

- the Council will take responsibility for contracting for the total care package
- the Council will take responsibility for the payments system and pay a combined fee for personal care, food and accommodation and the provision of nursing care from a registered nurse
- the PCTs will reimburse the Council at an average rate for the nursing care contribution and for the additional administrative costs directly attributable to PCTs
- the Council and the PCTs will work together to jointly commission nursing care services and minimise financial risk to both parties
- the Council and the PCTs will align nursing assessment and care management processes, including reviews
- the Council and the PCTs will work together to produce a Partnership Agreement and a Pooled Fund Agreement once the PCTs financial allocation is finalised
- the Council and the PCTs will review the interim arrangements by 27 June 2003
- the Council will make separate arrangements with PCTs outside Derby (payment will be a combined fee, but we will seek reimbursement at the determined rate rather than the average).

1.1 Options Considered

No other options have been considered.

1.2 Recommendation

To note the work being done to implement NHS Funded Nursing Care in Care Homes from April 2003 and approve the interim arrangements.

1.3 Reason for the Recommendation

The implementation of NHS Funded Nursing Care is a Government priority and the subject of Section 7 guidance.

2 MATTER FOR CONSIDERATION

- 2.1 In the NHS Plan, the Government promised to make nursing care free for all, regardless of the setting in which it is delivered. It said, "nursing care provided in nursing homes will be fully funded by the NHS".
- 2.2 The policy intention is to deliver all nursing care through the NHS because this will be free at the point of use and will also remove the current overlap whereby both the NHS and Councils can provide nursing care. The Government feels that NHS involvement will also encourage partnership working, joint commissioning and the setting up of pooled budgets, all of which will improve services to patients.
- 2.3 Together with local Councils, the NHS now has a stake in commissioning services for people in nursing homes. Until 1 October 2001 people receiving nursing care in nursing homes either received financial support from their local Council or met all of the costs of their care themselves. Responsibility for funding a defined element of nursing care for self funders fell to the NHS from 1 October 2001. The funding of this element of the nursing care of the remaining care home residents will transfer from local authorities to the NHS from 1 April 2003. This is around 85,000 care home residents nationally, approximately 550 of whom are currently the responsibility of the Council.
- 2.4 Government guidance has still not been finalised. Draft guidance indicates the following:
- nurses should make an assessment of nursing need for all nursing home residents and link the nursing need to a determination of the fee level in one of three bands:

-	low	£40 per week
-	medium	£75 per week
-	high	£120 per week
 - criteria for NHS and Social Services support on entry to care homes providing nursing care should be agreed jointly by local PCT's and Social Services
 - review processes should be aligned
 - care plans should set out the services to be provided within the Council's standard rate (to cover personal care, food and accommodation costs) and by the NHS (to cover nursing care from a registered nurse)
 - an integrated approach is preferred with Councils contracting for the total care package. This will involve:
 - a partnership agreement
 - a pooled funding agreement
 - an agreement between the Council and the care home proprietor for the full cost of the care package

- an agreement between the PCT and care home for the care home to co-operate with assessments, make returns, supply records etc.

2.5 The Department of Health has issued a set of principles that need to be taken into account in implementation.

In particular, PCTs and Councils must ensure that the total funding package for all Councils' supported residents in a particular care home, including any NHS funded care, should be at least at the same level from 1 April 2003 as it was at 31 March 2003 when Councils had funding responsibility for all the costs of care.

2.6 This is a complex and wide-ranging change in public policy. It is not possible to have in place all of the above requirements by 1 April 2003. This is due to a variety of factors:

- Government guidance is not yet finalised
- PCTs have not been able to complete all of the assessments due to staffing shortfalls, making it impossible to precisely model nursing needs and costs
- PCTs have not been able to finalise the budget available to them
- PCTs in Derby will be required to participate in cross-boundary risk-sharing with PCTs outside of the City, which will need to be taken into account in drawing up the pooled funding agreement
- the Council will need to reach agreements with PCTs outside of the City as funding is linked to GP registration, not ordinary residence

2.7 In order to meet the deadline for implementation, ensure appropriate payments can be made from 1 April 2003, and maintain stability in the nursing home sector, a set of interim arrangements have been made with PCTs. These fulfil Department of Health requirements and deliver an integrated approach, with the Council taking responsibility for contracting for the total care package and the payments system. These arrangements will be monitored closely and further work will be done to draw up detailed proposals which will be submitted to Cabinet as soon as possible.

FINANCIAL IMPLICATIONS

3.1 Nationally, £375m has been transferred from Councils budgets to the NHS to pay for NHS funded nursing care. This transfer is based on an estimated national average unit cost of £85 per resident week (including continence products at £4), multiplied by 85,000, which is an estimate of the number of Council supported residents in 2003 / 4 nationwide.

3.2 Locally, the interim arrangements for in-city placements will involve the Derby PCTs contributing into a notional pooled budget the sum of £85 per week for each person in nursing care. This will be added to the Social Services payment for accommodation, food and personal care and paid to nursing homes as a combined payment.

- 3.3 For out-of-city placements, the home will received a combined payment from Social Services for nursing care, personal care, accommodation and food. Social Services will invoice the relevant PCT for the nursing care cost at the level agreed in the determination, i.e. low, medium or high.
- 3.4 For out-of-city placements, the home will received a combined payment from Social Services for nursing care, personal care, accommodation and food. Social Services will invoice the relevant PCT for the nursing care cost at the level agreed in the determination, i.e. low, medium or high.
- 3.5 The interim arrangements are necessary due to DoH final guidance not being available and the PCT's not knowing their 2003/04 budget allocation for this initiative. The Council and the Derby PCT's will work towards establishing a pooled budget arrangement as soon as PCT budget allocations are confirmed. The pooled fund agreement will include arrangements to minimise the financial risk to the Council and the Derby PCT's.

LEGAL IMPLICATIONS

- 4.1 From 1 April 2003 the Health and Social Care Act 2001 removes the Council's power to make arrangements for nursing care and transfers this to PCTs. To avoid the potential confusion that may be caused by Homes entering into separate contracts with the Council and the PCTs for parts of the same overall service it is proposed to have one contract between the three parties. The administration of this system will be carried out within the Social Services Department.
- 4.2 There will be an agreement between the Council and each of the Derby PCTs under which the PCTs will agree to reimburse the Council the contributions due from the PCTs towards the costs of the care provided to each resident by a registered nurse.
- 4.3 For PCTs outside Derby we will have to make separate arrangements.
- 4.4 In setting up these arrangements the Council is required to 'act under' any statutory guidance issued by the Department of Health. The draft statutory guidance recommends that Councils and PCTs develop partnership arrangements under which the Council and PCT pool their budgets and the PCT delegates their powers to provide nursing care to the Council. It would not be possible to set up and register such an agreement before 1 April.

PERSONNEL IMPLICATIONS

5. Additional demands have been placed on staff in the Department in developing and implementing these changes. Any ongoing demands will be identified and details presented as necessary.

ENVIRONMENTAL IMPLICATIONS

6. None.

EQUALITIES IMPLICATIONS

7. This change is intended to ensure that people have equal access to nursing care provided free by the NHS, regardless of where they receive their care.