



## DELEGATED DECISION BY PORTFOLIO HOLDER

19 SEPTEMBER 2017

<b>REPORT TITLE</b>	<b>Implementation on Reporting Actual Delivered Support Hours and the Proposed Pilot of Framework for Payment of Outcome Based Supported Living Services</b>
<b>REPORT OF</b>	<b>Graham Hodgkinson, Director of Health &amp; Care</b>
<b>RESPONSIBLE PORTFOLIO HOLDER</b>	<b>Cllr Christine Jones</b>

### REPORT SUMMARY

This report will describe:

- 1) Work will be carried out with regards to supported living providers reporting on the actual support hours that they deliver; this work will be followed and will link into the work that is being completed on the proposed Outcomes Based Payment Framework pilot.
- 2) The Outcomes Based Payment Framework that is proposed to be piloted for supported living services, will support the move towards outcome-based commissioning.

### RECOMMENDATION/S

That cabinet member for health and social care make a decision under delegated authority and agree to:

- 1) Move towards supported living providers reporting on actual hours delivered instead of commissioned hours.
- 2) A time limited pilot of the proposed framework for payment of outcome-based supported living services of up to twelve months.
- 3) Move forward with the Outcomes Based Payment Framework with the two providers who volunteered to take part in the pilot.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 As part of an individual's support plan, a specific number of hours are commissioned to meet the needs and outcomes that have been identified in the assessment. Every four weeks the providers will invoice the Department for the hours they have been commissioned to deliver. In some situations the provider could be delivering less or more hours than they have been commissioned to deliver. In Domiciliary Care the providers report to the Department the actual hours of care that they deliver, until now, this is not been something that has been expected of supported living providers.

It is proposed that supported living providers will report on the actual number of hours that they deliver to each individual on a four weekly basis. This will provide the actual number of hours that are delivered and this information will then be used as the starting point for the work that will be completed on the outcomes based payment framework

- 1.2 By implementing this proposed payment framework, supported living providers will focus on individuals assessed outcomes. By having a focus on outcomes rather than the number of hours commissioned, individuals will:

- 1) Have increased independence
- 2) Develop life skills
- 3) Have a reduced dependency on paid care
- 4) Have increased social and work networks that are outside of traditional 1:1 support

For the purpose of the proposed payment for the outcomes based supported living pilot, it is proposed to complete reviews on individuals who have placements with two providers, these providers have volunteered to be part of this pilot project. When this group has been reviewed a report will be completed, stating the outcome of the pilot, sharing lessons learnt and making recommendations as to whether it is proposed to extend the pilot or implement the proposed payment framework across the supported living sector.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 Other options that have been considered:

- 1) Providers will continue to invoice the Department for the number of commissioned hours and not on the actual hours that are being delivered. This creates a risk of payments being made to providers for services that have not been delivered, e.g when individuals are being reviewed in line with the outcomes based framework, if the Department is paying for hours that are not being delivered, providers may claim that this is a reduction and could expect to be paid the rate on the band above (see section 4.2).
- 2) Continue to pay providers the standard rate. Aim to reduce hours when individuals are assessed. Considerations for this option:

- a. Providers would be discouraged from working jointly with the department if hours are being reduced.
- b. Efficiencies may be greater, however, past experience shows that there is a risk that these efficiencies would not be long-term and providers will return to have the number of hours increased.
- c. No financial incentive for providers to improve the individuals independence and skills, therefore they remain more reliant on traditional paid services

### **3.0 BACKGROUND INFORMATION**

3.1 These projects are part of a range of activities to work towards more proportionate packages of support, while also transforming and ensuring a sustainable market.

3.1.1 Liquidlogic is the system that the Department uses to pay providers for the support that they deliver to individuals. As part of this system on a four weekly basis supported living providers will invoice the Department for the number of hours that they have been commissioned to deliver. As it has already been mentioned, in some cases there is a discrepancy in the number of hours that have been commissioned and what is being delivered.

Domiciliary Care providers inform the Department every four weeks of the actual number of hours of care that they have delivered during that period and they will receive payment for them. This is not a system that has been expected of supported living providers, which creates a risk that the Department is paying for support that has not been delivered.

It is proposed to introduce the following new system to supported living providers: on a four weekly basis they will inform the Department how many hours they have delivered to each individual during that period and they will be paid for those hours only. By implementing this system, the department will have an optimal number of hours of care that individuals receive, which will be the number of hours recorded as a starting point when individuals are reviewed under the proposed outcomes based framework.

3.1.2 Current ways of paying providers does not achieve the outcomes of increasing levels of independence. In January 2016, the Department started working with the four largest supported living providers on a number of areas. One of these areas was outcome-based commissioning, which looked at how the department and providers could work jointly to ensure that individuals outcomes that were identified from their assessment could be met.

This proposal entails incentivising providers to support individuals to improve their independence and become less reliant on paid support. It is acknowledged that not all individuals will be able to live independently without any support; however, individuals should be supported to be as independent as much they are able to be.

Wirral Council currently pays its supported living providers £13.55 per hour for day time support. As of the 15<sup>th</sup> September 2017, there are 712 people who currently live in supported living.

In order to meet individuals outcomes, there is less focus on the specific number of hours of support to be provided, and more focus on the identified outcomes being met in a more flexible and creative way.

#### 4.0 FINANCIAL IMPLICATIONS

- 4.1 With the introduction of providers reporting on the actual number of hours that they deliver, there is an expectation that this will reduce the current supported living budget. If this system is introduced for the next full four weeks cycle before payment, there is potential to reduce the in-year forecast by approximately £0.2m (fully year effect £0.6m)
- 4.2 With the implementation of this framework, providers will receive an increased hourly rate on an incremental basis when it has been evidenced that they have supported individuals to increase their independence which has led to them being less reliant on paid care.

It is proposed to have a six tier payment structure (see table below) and providers will step up onto a higher band when they have reduced the individuals support by the following proportions:

Size of package (day hours)	Rate (£/hr)	Return on activity (%)	Return on activity (£/hr)
100%	13.55	6%	0.77
90%	13.74	7.5%	0.96
80%	13.93	9%	1.15
70%	14.12	10.5%	1.34
60%	14.31	12%	1.53
50% and under	14.50	13.5%	1.72

Once the number of commissioned hours for an individual has been reduced by 10%, the provider will be paid the next level for the remaining hours, e.g currently paid £13.55, after 10% reduction will now be paid £13.74

The new rate will only be paid on cases where the reduction is expected to be long-term, if it is a temporary reduction the higher rate will not be paid. Also if the individual's needs increase and the number of hours increase, the provider will step down to the lower level and receive that rate for the hours they provide, e.g if a service user was previously paid £13.74, a long-term increase in hours will now be paid £13.55.

Feedback received from supported living providers suggests that moving to an outcomes-based fee framework will assist with staff retention and business sustainability. Consequently, both market stability and provider behaviours will be improved.

Under the new proposed fee framework, there will be no change to the Council's charging policy for supported living service users. Financial assessments will continue to be based on the council's standard rate for this type of care. Any risk of additional opportunity costs to the Council would only arise in the case of full-cost payers for supported living, which falls below the materiality threshold for consideration.

Any reduction in the amount of hours commissioned will have to be clearly linked to an evidenced achievement of identified outcomes for the individual in question. The process will be within a risk-managed arrangement and no changes will be made to a package of care before being reviewed by a social worker.

The detailed procedure document for this pilot is being finalised and will be shared for approval once it has been agreed by Legal Services.

It is anticipated that efficiencies could be achieved with the implementation of this proposed payment framework. If care providers improved individuals' independence and life skills, such that there was a reduction in the amount of care hours that needed to be commissioned by 1%, a gross cost reduction of approximately £150,000 could be achieved.

## **5.0 LEGAL IMPLICATIONS**

5.1 There are possible legal implications due to:

- 1) The proposed projects will be shared with Legal services and obtain approval before implementation.

## **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

6.1 Resource implications are:

- 1) All individuals who are in this pilot will need to be reviewed and a new assessment will need to be completed. A team has been identified to work on this piece of work, a proposed plan will be completed so that the team can work through each property in the pilot and review all individuals who live there.
- 2) As part of the pilot a panel of managers has been identified to discuss each property and the assessments so that new hours can be agreed jointly between the Department and the provider and the new payment rate will be shared for payment.

## **7.0 RELEVANT RISKS**

7.1 The risks that are associated with this proposal are:

- 1) Long term supported living will not be sustainable and the market could continue to suffer.
- 2) If these projects are not implemented there is a risk that not all of the learning disabilities efficiencies identified will be realised.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 Prior to the implementation of providers reporting on the actual hours delivered, senior managers will meet with providers to discuss the information that they need to report into Liquidlogic on a four weekly basis.

8.2 In January 2016, work on outcome-based commissioning was discussed with the four largest supported living providers in Wirral, and two of the providers agreed to take part in a pilot once the framework was agreed.

Following the work that was carried out, in October 2016, a report was written and presented to the Senior Leadership Team (appendix 1). The proposed 'tiering' of the fee rate has been revised since this appendix was written, following feedback from care providers. The starting (100% rate) has also been increased, in line with increases in the National Living Wage since then,

In July 2017, the proposed payment framework was presented at the Provider Forum and received a good reception from providers.

## 9.0 EQUALITY IMPLICATIONS

9.1 An equality impact assessment will be completed prior to implementation.

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## APPENDICES

### Appendix 1

## REFERENCE MATERIAL

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date