

LETTER TO CARE HOME PROVIDERS WITH THE FINAL OUTCOME REPORT FOLLOWING THE CONSULTATION EVENTS

Dear Care Home Provider

Please find attached the outcome report from the three consultation events held at the end of May and the consultation feedback questionnaire.

The review has been used to look forward at proposals for future fee levels and also to use the same methodology to review the fees awarded in 2012/13. The review of the 2012/13 resulted in both winners and losers with 12 care homes being affected if PCC were to reclaim overpayments. Plymouth City Council is committed to Plymouth being a dementia friendly city and as such feels that the fees for 2012/13 recognised the difference in costs for both nursing and residential care homes.

Consultation of future fee levels:

In summary, based on the outcome of the consultation it is clear care homes would like the Council to undertake further work in determining future fee levels. As such the proposals for a way forward are:

- To undertake in partnership with Plymouth Care Providers Ltd and South West Care Homes Ltd an independent survey of the number of available beds in Plymouth and the type of occupancy levels within Older People Care Homes in Plymouth. This work would also help to define the Plymouth level of private residents in connection with the Dilnot review.
- Commissioning of PwC to work with the Council specifically to provide advice surrounding input assumptions such as; providers cost/return on capital, cost of debt, tax calculations, gearing ratio (i.e. split between debt and equity), management overheads and average occupancy levels. To include advice on the structure of, and suggest potential improvements to, the financial model.
- Continuation of the Dementia Quality Mark programme to raise the standards across all residential care homes providing care for older people with dementia
- Further guidance and design of the financial survey form. We would like to do this in conjunction with two care home providers, one from a group home and one from an independent owner managed care home. The financial data

gathered to be linked to when the annual accounts have been prepared by care homes to avoid additional costs. If necessary, agreed inflation to be added to bring the costs up to the current year.

- Increase to the current fee level of 2% across all Older People Care Homes, residential and nursing, older frail and dementia, for 2013/14, to be backdated to 8 April 2013 and a further 2% increase on the 2013/14 fee level for 2014/15. We are proposing that the increase is an interim one until the financial survey of Plymouth homes has been completed to determine a fair price.

New schedule of rates for 2013/14 – from 8 April 2013

Category	Current	New
Residential Older Frail standard	£395	£403
Residential Older Frail enhanced	£415	£423
Residential Dementia (non DQM)	£415	£423
Residential Dementia DQM	£435	£444
Nursing Older Frail (excluding FNC)	£420	£428
Nursing Dementia (excluding FNC)	£445	£454

Negotiated / Exceptional Rates

In addition to the new schedule of rates the Council continues to acknowledge the need for a “Negotiated / Exceptional Rate”. This situation would occur where a service user presents a greater need than can be accounted for within the standard fee structure.

All of the negotiations for “Exceptional Rates” will be dealt with by the Adult Social Care Commissioning Team.

When will we be making the backdated payment to you?

We are aiming to make the necessary adjustments to uplift by the 2% backdated to 8 April 2013 to the payment run for the period 11/11/13 to 24/11/13 which clears through your bank accounts on Friday 22 November 2013.

Which fees will be uplifted?

The 2% increase will be applied to the Council’s current fee levels including those fees with enhanced payments to meet exceptional needs.

What will happen next?

Survey of care home beds: we will be contacting Plymouth Care Providers Ltd and South West Care Homes Ltd with a view to commissioning an independent survey of the number of available beds in Plymouth and the type of occupancy.

Cost/return on capital: we will be commissioning PwC to provide advice on the return on capital specific to Plymouth care homes for older people.

Financial survey form: once we have another volunteer to work with us on the financial survey form and guidance notes we will schedule in time with the two volunteers.

Financial survey: following agreement on the financial survey form and guidance we will be in contact with all older people care homes to inform them of the process and dates for completion and gathering of the information.

If you have any questions or wish to discuss further then please do not hesitate to contact us.

Thank you for your time and co-operation so far.

Yours.....

Debbie Butcher

Head of Safeguarding, Quality and Individual Placements