

# Care Home Market Contract



  
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Clinical Commissioning Group

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## Contract Principles

  
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## Suspension of placements

  
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### Current Position

Council – No suspension process in place, currently seek voluntary suspension.

CCG – Have a suspension process in place

Proposal	You said	Council/CCG	Final recommendation
Implement a clear suspension process in line with the quality assurance process.	Agreed in principle but want a clear process which provided timescales.	Produce a suspension policy that clearly details the process. If this process is needed at any time, an action plan will be drawn up and timescales mutually agreed.	Implement suspension policy aligned with quality assurance framework.

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## Gross Payment

  
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### Current Position

Council – currently pay net and provider collects third party and client contribution

CCG – N/A

Proposal	You said	Council	Final recommendation
The council move to paying gross and collect the client contribution and if applicable third party element.	Agreed with this as a proposal.	Council placements only. Big change. Additional risk on council cash flow. Best practice and inline with other areas.	Move to pay gross (subject to approval by cabinet in May).

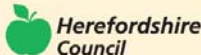
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### Payment after death of service user

**Current Position**  
 Council – Pay 5 days (including day of death)  
 CCG – Pay 3 days (including day of death)

Proposal	You said	Council/CCG	Final recommendation
Pay 3 days (including day of death) in line with the CCG	Impact on the cost of the placements . Financial loss to providers. Concerns for families to collect possessions so soon after the loss of family member.	Additional cost to CCG if this were to change to the councils current 5 days, and already in place with CCG.	Implement the 3 days (including day of death) proposal






### Shared room rate


**Current Rate**  
 Council –Currently at 95% of the usual price rate  
 CCG – N/A

Proposal	You said	Council/CCG	Final recommendation
80% of the current rate	Agreed that a shared room is needed but 80% is a lot less and false economy.	Council placements only. Agreement that shared room rates are used less but they still need to be available for choice and to ensure capacity in the market.	Change the proposal back to the current 95%.




**Change in payment**

**Current Position**  
 Council – Pay 2 weeks in advance and 2 weeks in arrears  
 CCG – Pay by calendar month in arrears




Proposal	You said	Council/CCG	Final recommendation
Move from paying two weeks in advance and two weeks in arrears.	Concerns over this proposal and cash flow particularly for smaller organisations and the serious implications this may have.	LA recognises the concerns raised by providers. Risk to council paying in advance To pay GROSS the council must look at how it mitigates its financial risk. Council reviewing ways of reducing risk.	Continue with the move to paying in arrears, however the council will mitigate this by phasing this in.




**Absence of resident**

**Current Position**  
 Council – 100% for 6 weeks and 80% thereafter  
 CCG- 100% for 4 weeks and 80% thereafter



Proposal	You said	Council/CCG	Final recommendation
100% in week 1, 75% in week 2, 50% in weeks 3-6 and beyond.	Unworkable for providers and unfair for service users, especially for mental health clients. Placements cannot be held with this proposal.	The risk of losing placements is too high for this proposal. The administration on this is not viable for either stakeholder and therefore proposal needs to be reconsidered.	Align with the CCG terms 100% for 4 weeks and 80% thereafter.



## Contract update – Martin Samuels

  
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### Fee increase

- On the 1<sup>st</sup> October 2015 the ‘usual rate ‘ for older people increased by 1%
  - To reflect the change to the minimum wage.
- Providers were informed that rates for 2016/17 would be considered
  - In line with the outcome from the Comprehensive Spend Review (CSR)
  - Once the financial implications on the council was determined.
- As a result a decision report will be recommending to cabinet on the 9<sup>th</sup> May
  - To approve a 1% increase for all placements on the current usual rate (see below)
  - All learning disability and mental health placements
  - Backdated to the 1<sup>st</sup> April 2016

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## Contract update


  
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### Fee increase

- The below table provides the proposed rates for the ‘usual rates’ 2016/17 based on the 1% increase:

Weekly Fees £	Residential & Dementia	% increase	Nursing	% increase
Current usual price	457.46		523.18	
Impact of NLW (assuming 67% of staff affected are 25+)	4.38		5.10	
Profit uplift @ 5%	.22		.22	
New price adjusted for minimum wage	462.06	1.01%	528.54	1.01%
Non-pay inflation	0		0	
Revised fee calculation	462.06		528.54	

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## Timeline

**Key dates:**

Cabinet decision paper:	9 <sup>th</sup> May 2016
Draft contract:	16 <sup>th</sup> May – 10 <sup>th</sup> June 2016
Final contract:	17 <sup>th</sup> June 2016
Procurement: Workshops	4 <sup>th</sup> May 10am – 2pm Plough Lane offices/ 9 <sup>th</sup> June 10am – 2pm Leominster
Procurement:	8 <sup>th</sup> July – 1 <sup>st</sup> August 2016
Contract start:	5 <sup>th</sup> September 2016

