

Meeting of
Lanarkshire NHS Board
28 July 2010

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The Provision of Older Peoples Inpatient Services At Carrickstone Care Home, Cumbernauld and Development of Integrated Day Services in North Lanarkshire

1. PURPOSE

To seek approval to extend the contract for provision of Older Peoples Inpatient Services by a further two years (from 2012 to 2014) with Four Seasons Healthcare, Carrickstone Care Home, Cumbernauld. The current contract is due to expire in March 2012. The total contract value for the period of extension is £2.695 million and any increase will be linked to the Health Service Cost Index.

2. BACKGROUND

This contract with Four Seasons Healthcare has been in place since 1996 and at that time the contract was for 40 continuing care beds and 30 day care places. This contract was subsequently extended in 1999 and again in 2004 at which time the mix of beds was modified to provide fewer beds overall but with a combination of continuing care and rehabilitation.

Although this contract is not due for renewal until March 2012 a working group consisting of clinical, managerial and partnership representatives was convened in August 2009 to review the position. The primary reason for the review of this contract coincided with the need to align day services for both Older Peoples Mental Health services and for Care of the Elderly Services with the need to release funding to support these changes. In addition ample time was required to serve notice to Four Seasons should this be necessary, in line with contract requirements.

The total overall bed complement for this facility is 80 comprising of four 20 bedded wards/wings.

The current annual contract value with NHS Lanarkshire is £1,547,775 comprising:

- | | |
|-------------------------------------------------------------------------------------------|--------------------------|
| ▪ 35 Care Home beds (15 continuing care & 20 rehab) - | £1,098,778 |
| ▪ 30 Day Hospital places
($\frac{1}{3}$ older people & $\frac{2}{3}$ mental health) - | £ <u>448,997</u> |
| ▪ Total | <u>£1,547,775</u> |

Four Seasons provide all of the direct clinical staff for the inpatient beds and the day hospital with the exception of medical cover which is provided by the Consultant for Older Peoples Services from Monklands and by local GP's out of hours. These services are also enhanced by the Locality Integrated Care Service (LINCS) team for Airdrie, Coatbridge and Cumbernauld.

The utilisation of the day hospital capacity by both Older People and Mental Health is low: 30% (9 patients) for Older People's services and 20% (4 patients) for Mental Health. This is due to the fact that the clinical model for these patient groups has significantly changed over the last 10 years and the Carrickstone Day Hospital model is now outdated. The utilisation of inpatient beds is high (98%) and all patients are from the Cumbernauld area. It would be inappropriate to reduce the bed compliment at this time given current changes in demography.

The original contract specifies a staffing complement of inpatient beds which is no longer appropriate for this patient group and is considerably less than current Care Commission requirements. Consequently the under-utilisation of the Day Hospital has allowed Four Seasons to allocate Day Hospital funding to support the operation of the inpatient beds as they are required to meet the minimum staffing level requirements set out by the Care Commission and have consistently done so.

A fundamental scope of work has already commenced with North Lanarkshire Council using LEAN methodologies to fundamentally review the current patterns of older people's care in tandem with need to reshape Older People's services. Any fundamental changes to the service model would be brought back to the NHS Board in due course.

3. OPTION APPRAISAL

The Group involving Clinical, Managerial and staff side considered a number of options including:

- i) Consider a "Parksprings" model by contracting only for the facilities and providing all clinical staff in-house

This was discussed and excluded following detailed discussion with Four Seasons Healthcare. The reason for exclusion relates to the configuration of the existing bed compliment at

Carrickstone which as noted above comprises four discrete patient wings of 20 patient beds. It was felt that this would not be a practical or workable solution.

- ii) Extend existing contract under current terms.

This was excluded as it does not comply with the redesigned service model required to take forward day services for adult and mental health services for older people.

- iii) Reduce inpatient bed numbers at Carrickstone by utilising up to 5 beds in the Victoria Community hospital in Kilsyth.

This option was excluded as it did not represent good value for money and it was felt it would benefit patients from Cumbernauld to stay in Cumbernauld.

- iv) Renegotiate contract to exclude “day hospital” provision

This option was considered the most appropriate for the patient group as it provided the opportunity to align day services for both Older Peoples Mental Health and Care of the Elderly services.

This fits well with the North Lanarkshire Partnership agreed plan to provide an Integrated Day Service model at the Antonine Centre in Cumbernauld.

Four Seasons have confirmed that they are willing to change the service model and contractual agreements to meet the requirements of the NHS Lanarkshire. Agreement has been reached to amend the contract to exclude the day hospital at a revised price including 2009/2010 price adjustment of £1,347,775 and extend the contract until 31st March 2014. The external monitoring of Carrickstone will continue to be the responsibility of the Care Commission and a series of regular inspections and reporting within this sector has been established.

There are four main areas covered within the reporting structure and these are shown below along with scoring and the results of the previous inspection in October 2008.

Date	Quality of Care & Support	Quality of Environment	Quality of Staffing	Quality of Management & Leadership
February 2009	4 Good	4 Good	3 Adequate	4 Good
October 2008	3 Adequate	4 Good	3 Adequate	3 Adequate

In addition to the scores noted above which show an improvement from the previous visit, the issues raised requiring attention have been dealt with by the local management team within the timescales required. This document is available for review at www.carecommission.com.

Renegotiation of the contract at Carrickstone for inpatient beds only represents the best way forward for patients, relatives and clinical staff and has been determined to provide value for money at a cost of £38,508 per patient per annum. (The current comparable costs of the services at Stonehouse and Parksprings equate to £49,669 and £43,662 per annum respectively.)

This represents cost avoidance of £200,000 per annum and will enable the implementation of the integrated day care model at a total cost of £200,000 per annum. (£180,000 for older people's mental health services and £20,000 for care of the elderly.) It is worth noting however that the Mental Health Financial Plan for 2010/2011 had assumed that funding available would be £292,000. It has been agreed that the revised model can be delivered within this £200,000. There is one issue regarding the level of per capita spend in Mental Health which has already been the subject of an Audit Scotland Report. It is anticipated that the Public Audit Committee will require a similar analysis in 2010/2011 and there is a risk that this perceived resource shift is seen as a reduction in Mental Health expenditure and will require further work to confirm that the service can be provided from the revised allocation.

Unison have formally advised that they are opposed to private sector provision of NHS funded care and asked for consideration of the contract to be brought back in house or NHS Lanarkshire to employ the staff involved or alternatively to pay the staff looking after NHS patients in Carrickstone under Agenda for Change Terms and Conditions. These issues were considered in turn and in detail by the CMT between April and June and after due consideration the CMT concluded in June that in the current economic climate the additional costs for capital and revenue could not be seen as an investment priority and could not demonstrate improved quality of service at this time. Also Four Seasons Healthcare advised that they would be unwilling to employ staff under different terms and conditions of employment, effectively creating a two tier payment system. The CMT also agreed that sufficient time was required to conduct a more substantial strategic review of all contracted beds funded privately or commissioned by Social Work across NHS Lanarkshire.

It is, therefore, anticipated that this short contract extension will allow a wider review of contracted beds within NHS Lanarkshire (including Old Age Psychiatry Mental Health) to be undertaken and provide the opportunity to explore further integration of older people's services and further redesign with Mental Health.

Work will commence with North Lanarkshire Council in September 2010 using LEAN methodologies to fundamentally review the current patterns of care for these patient groups. In particular the need to be able to respond to

demographic pressures in tandem with the requirement to reduce preventable admissions by supporting people in their own home; improve triage and rapid assessment and reduce the reliance on in-patient and nursing home beds.

4. CONCLUSIONS AND ACTIONS FOR THE BOARD

For the following reasons:

- Enables redesign and integration of Older People and Mental Health day services.
- This represents the most cost effective option which fully complies with Care Commission Standards.
- The lack of available capital and revenue monies to develop any other service model at this time.
- This will allow time to undertake a wider strategic review of Older Peoples Services with North Lanarkshire Council.

The NHS Board is asked to approve a 2 year extension of this contract from March 2012 to March 2014 at a total value of £2.695 million and linked to the Health Service Cost Index.

To note that a fuller review of Older Peoples Services including the future provision of inpatient care will be presented to the Board for consideration in due course.

5. FURTHER INFORMATION

Further information on any aspect of this project is available through:

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