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# DCMQC Briefing Paper 6

# Intervening in the Care Market

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## 1 Introduction

This briefing paper has been produced following the 'Developing Care Markets for Quality and Choice' programme. It explores how a local authority might intervene to ensure a diverse and sustainable care market. Other papers in this series look at:

- The basics of market facilitation (Paper 1).
- Developing a market position statement (Paper 2).
- Good practice examples (Paper 3)
- A checklist for testing your local MPS (Paper 4).
- Using the MPS to structure the care market (Paper 5 )

In Paper 1 it was suggested that there were three elements of activity that local authorities should engage in if they were to deliver an efficient and sustainable care market – market intelligence, market structuring and market intervention as illustrated by the diagram below.

**Figure 1: The three elements of market facilitation**

The market intelligence activity has been described in the papers on market position statements (Papers 2, 3 and 4) and Paper 5 looks at how a local authority might begin to use the MPS to help structure the market. This paper looks in greater detail at how the local authority might intervene to ensure the market is diverse and sustainable.

## 2 Intervening in the care market

The particular interventions to be put in place will depend on the state of each local care market. Some activities, such as aligning the impact that the authority as a whole has on the care market may need to be no more than sharing decisions and agreeing an approach, whilst others may require more proactive actions. The ideas below are not recommendations but a series of suggested interventions that an authority might wish to consider.

### 2.1 Tendering and procurement

Providers' criticisms of tendering arrangements have been well documented, particularly those by providers who straddle a number of local authorities. Although more consumers of social care are self-funders or have direct payments, the local authority is still likely to be involved in a range of procurement activities. This might be because a whole service is being purchased (perhaps integrated preventative interventions), or because the state is buying on behalf of a number of individuals or there is a framework agreement.

In many ways, how commissioners approach procurement is a key indicator about their future attitude to the care market. In the past, providers of care have often been critical of tendering and procurement arrangements. Sometimes this has been because contracts are felt to be too biased towards the local authority (using its monopolistic status to give little choice about terms and conditions), sometimes because the costs of tendering outweigh the value of the contract to be awarded, or the whole process simply excludes small providers.

Barriers preventing local and particularly small organisations from bidding for contract opportunities include complex or bureaucratic procurement processes and a disproportionate balance of risk transferred to providers. Authorities can overcome these barriers by for example:

- Standardising tender documentation and simplifying the requirements of Pre-Qualification Questionnaires (PQQ) and Invitations to Tender (ITT).
- Providing sample and case study PQQ completion examples.
- Streamlining financial assessment criteria.
- Removing PQQ requirements altogether for lower value contracts.
- Reviewing with provider representatives the balance of risk in contracts.

The Office of Government Commerce Introduction to Procurement[1], although produced some time ago, outlines some sound approaches to pre procurement planning as does the National Council for Voluntary Organisations[2]. Both documents stress the importance of consultation with stakeholders about what is needed and engagement with the market in order to understand the solutions that may be available. Good procurement can help by offering pre-tendering briefings, limiting the financial data to be captured and working in partnership with neighbours to ensure that they adopt similar working practices. Exploring innovative contracting arrangements such as outcome based contracting and social impact bonds may all be ways to bring new finance into the care market.

Particularly where the local authority wishes to pursue an outcome-based approach to purchasing, it needs to have a very different type of working relationship with providers in order to ensure this works well.

Several authorities have central procurement units, in some instances working with adult social care procurement, and in others replacing that function. There may be ways in which local authority procurement functions can support small and micro providers by facilitating the purchase of equipment, eg, computers through to latex gloves. Sometimes, help may be welcome in the form of acting as a guarantor.

## 2.2 Market oversight & business support

As CQC illustrates in its annual report, the vast majority of social care services are delivered by small providers sometimes working across just a few wards in a local authority or owners of a single care home[3]. For many of these providers, simply meeting their regulatory requirements and managing the business on a day-to-day basis can often consume a disproportionate amount of resource. There may be little time for business planning or strategic thinking in such organisations. It is important in looking at what support the local authority provides to business, either directly or indirectly, that the care sector receives its fair proportion of help and assistance. Exactly what forms of help would be most welcome should be part of the discussions that take place between commissioners and providers as described in the market structuring section.

1 http://webarchive.nationalarchives.gov.uk/20110601212617/http:/www.ogc.gov.uk/documents/Introduction_to_Public_Procurement.pdf

2 http://www.ncvo-vol.org.uk/advice-support/public-service-delivery/commissioning-procurement/commissioning-procurement-step-step#detailedguides

3 The State of Health Care and Adult Social Care in England 2012/13, CQC, http://www.cqc.org.uk/sites/default/files/media/documents/cqc_soc_report_2013_lores2.pdf

From the DCMQC programme it is clear that many local authorities are unaware of the total value of their care sector in terms of economic wealth or employment. Few authorities seem to have engaged in a dialogue with care providers about their business plans as part of their assessment of the economic health of the sector.

It is important that local authorities understand whether their care providers and the overall care economy is getting stronger or weaker. If the market is based around quality and innovation is there particular support that small and micro providers might need to deliver this given that they may be more vulnerable in a volatile economic climate? Are there actions the local authority should be taking to help care business gain the finance they need? This could be in the form of offering guarantees of business, agreeing payment schedules that help cash flows, or offering that local authority land that has been released can be paid for over a longer time period.

## 2.3 Encouraging innovation

Much is made of the desire to innovate new forms of provision by local authorities and to have an increased emphasis on prevention. But from a provider perspective the question may often be 'why should I take a risk?' This is particularly so if current provision is relatively risk free and the sole financial beneficiary of the provider taking the risk is likely to be the local authority.

Currently, funding from within the local authority and the capacity of private and voluntary providers to raise capital is severely limited. Yet if the wish is for the market to innovate new forms of care this involves expenditure. Given that this may involve using unproven approaches it cannot be expected that providers will take on all the risk when the incentives to change maybe few or uncertain. Therefore, discussions with providers might centre on how the model of care in the MPS translates into a need for innovation and hence how might risk best be shared in order to ensure that innovation takes place.

Wiltshire…"recognised that if they were going to tender for a service, which required a different set of attitudes and aptitudes from their providers then this may well involve bringing in a new set of providers to the county. In the first instance they realised that they needed to engage early with the potential providers of care so that they could in part shape the new service model. At least six meetings took place (from 2010-11) between the Commissioning Team in Wiltshire and potential providers of care before the tendering process began formally.

Wiltshire also held a number of events, with the NHS Trusts as partners, where they invited professionals and older people to work together in looking to create a better care pathway for people who may require services. They held 6 workshops across the county at which at least 20% of those involved were carers or users of services".

*Extract from Wiltshire Council Help to Live at Home Service – An Outcome-Based Approach to Social Care: Case Study Report (2102). Institute of Public Care*

However, as Wiltshire County Council found[4] when developing its outcomes-based payments approach with providers, far more consultation work may need to be undertaken if sustainable innovation is to occur.

Particularly, in shifting provision from an emphasis on acute and critical provision, health and well-being boards may wish to consider setting up local innovation funds that could offer assistance to those providers who need seed corn funding to cover the development of alternative approaches or transitional top ups for a provider shifting from more traditional forms of care.

## 2.4 Consumer information

Intervening to gain a consumer perspective essentially entails three activities:

- Recognising need through market research.
- Influencing demand through information, advice and engagement.
- Influencing supply in working with the market through the delivery of, and reporting on, the two activities above.

There are an increasing number of websites designed to give care consumers information, ranging from NHS choices and CQC through to private sector sites such as *myhomecare* and *mycarehome*. Whilst the sites may tell you about the location, type and price of a service and whether it meets a minimum quality standard, they do not usually help people decide what forms of care they might need, how to judge quality and how they might best negotiate arrangements. As a number of studies have pointed out:

- Self-funders in particular are vulnerable to believing or being encouraged towards a particular care service when other alternatives may be available.
- Often the person arranging care may not be the recipient and the two may live at some distance from each other.
- In the case of older people the decisions about care may be a 'distressed purchase' which people are encouraged to make rapidly. There may not be accurate information to judge an older persons potential recovery from ill-health and indeed in some instances the care decision may be made when the person is still ill.

[4] See report at http://ipc.brookes.ac.uk/publications/pdf/Wiltshire_Council_Help_to_Live_at_Home_IPC_Report_April_2012.pdf

If greater control and choice is to be offered to people, the starting point must be about the provision of information. It is more than simply providing information, but helping people understand the range of what might be available from whom and whether the information enables people to make good decisions.

Some providers are beginning to respond to this by developing their own quality charters, some authorities are looking to harness better information about funding and finance such as Carewise[5] (see box).

Carewise - care funding advice

"Carewise is your pathway to information and advice about your care and support options. It aims to help you make the right choice of care and support, at the right time, with the right funding solution.

The prospect of paying for care at home or residential or nursing home care can seem daunting. For most people it is the first experience of arranging and purchasing care services. Understanding both care and funding options is crucial to making an informed decision and choosing the right solution. Carewise is an important part of the Adults' Services information and advice service."

In addition, many older people will be making decisions about care either when they themselves are not well, maybe in hospital, or being made by relatives who may live at some distance. At that point it is important to accurately know what the future prognosis for a person might be and the range and extent of potential recovery or rehabilitation.

Therefore, a key intervention is ensuring that good quality, jargon free, information is available to all about which providers provide what services, to whom, and at what cost. Advice may be based on what may or may not be possible for somebody in the short and the long term and where that help can be available from. Such information may need to be imparted in person and on more than one occasion. The duty to inform is not necessarily met simply, by the provision of a website.

## 2.5 Shared market research

In many instances local authorities and providers share a common need for market research, although they may well use what is obtained in different ways. Therefore, part of the on-going discussion with provider organisations should be around how we gain a better understanding of the wants and needs of care consumers as well as what approaches deliver the best possible outcomes. Provider forums could be a good context for initiating

5 http://www.westsussex.gov.uk/living/social_care_and_health/adults_looking_for_support/money_and_legal_advice/carewise_-_care_funding_advice.aspx

discussions around market research, its content and how it might be funded.

Across the whole care market, not just those who are, or may in the future, be in receipt of state funded care, some examples of the kinds of market research questions that might be addressed and the methods to be used are as follows:

- Consumer behaviour. For example, why and when do self-funders move into residential care, do they stay for a longer or shorter periods than those in receipt of state funding, were people aware of alternatives available to them prior to admission, what is the ratio at which self-funders run out of resources?
- What choices might be attractive to people? For example, what shape, type and design of extra care housing are people most likely to purchase and what would they find least attractive? Sometimes there will be national sources that can be drawn on to gain a wider understanding of care needs[6]
- What forms of care are unattractive? IPC conducted some years ago a series of focus groups with pre-retirement older people[7]. One of their main concerns was about the quality of care for people with dementia and a general feeling that there was nothing that could be done. If people are to be persuaded that care for people with dementia is possible in the community then there is a need to understand the attitudes that people start from.

Even where authorities do invest in understanding consumer needs they often tend to adopt a limited number of approaches where consultation means either the use of some kind of questionnaire / or an organised discussion with 'representative' groups of care consumers. However, there are a range of other approaches that could be used to get a stronger impression of consumer's reactions to the care market.

**Mystery shopper exercises** – A good way to understand whether your perception of how services are working is matched by reality.

**Feedback from provider organisations** – Are there changes in consumer reaction to services and what seems to prompt such changes.

[6] For example "Home Care Users in England aged 65 and over 2008-09 Survey, The NHS Information Centre, 2009" provides helpful results of surveys of both state funded and self-funded home care. "A Better Life: what older people with high support needs value Jeanne Katz, Caroline Holland, Sheila Peace and Emily Taylor, JRF, 2011. A Better Life: Private Sheltered Housing and Independent Living for Older People, McLaren J and Hakim M, ADASS / McCarthy & Stone, 2008, offers a large scale survey of sheltered housing.

[7] See http://webarchive.nationalarchives.gov.uk/20090607145739/http://dhcarenetworks.org.uk/csed/Solutions/dfAndCapacityPlanning/anticipatingFutureNeeds/

**Complaints** – Does the local authority routinely evaluate complaints and their content? Are there areas where there are no complaints or comments and why might this be so?

**Reviewing estimates against actuals** – Is actual service take up routinely matched against expected take up? What proportion of an anticipated population actually received or purchased a service. For example, a recent review of data in one authority showed there was no correlation between GP patient lists of those aged 80 and older and the numbers of people with a diagnosis of dementia.

**Scenarios / Visioning –** Either via focus groups or individual interviews market research that wants to look at what people might wish for the future can be helped by giving a set of scenarios. For example, taking the extra care housing idea above, showing people pictures of what could be purchased and at what price is far more likely to elicit a clear response than talking about a hypothetical concept.

**In depth interviews** – Sometimes there are few substitutes for a real in depth discussion with a population sample. For example, does ticking 'satisfied' in surveys about home care relate to all the service, ie, is the quality at weekends the same as during the week. Do people have a choice of who is their 'key worker'?

## 2.6 Training and development

If the local authority has worked to define where it wishes the care market to be in five or ten years' time and the range of provision that will meet needs, then it needs to consider what training and development will be required to deliver that agenda. For example, if the route is to integrate community based support at the point of delivery, bringing together home care, district nursing, assistive technology and care and repair services then what skills will front line staff need in order to deliver this agenda? Does the training offered locally meet this and if not what needs to change?

In some instances training for providers may need to be interpreted in its widest sense. For example, there is evidence to show that training provided for people who care for others who have a dementia in the early stages of the condition can have an impact on long term outcomes[8].

## 2.7 Monitoring

Authorities need to not only develop the capacity to better monitor their local markets but also to understand whether market facilitation as an activity is

[8] Brodaty H, Gresham M, Luscombe G. (1997) The Prince Henry Hospital dementia caregivers' training programme. Int J Geriatr Psychiatry 1997 Feb;12:183–92 and Bannister, C., et al (1998), Placement of dementia sufferers in residential and nursing home care. Age and Ageing. Oxford: Mar 1998. Vol. 27, Iss. 2; pg. 189-193.

having an impact. The following are suggested as some potential benchmarks against which an authority may wish to measure their performance:

- Is there evidence that self-funders are making better informed choices?
- Do more providers have a quality standard that is independently verified?
- Is the local authority able to monitor turnover of organisations and staffing across the sector?
- Is the local authority able to track whether complaints and failed compliance is rising or falling in our area?
- Is the quality of information provided to care consumers independently verified by exercises such as mystery shopper?
- Is there a change in the range of provision available to people rather than a change in the number of providers?
- Where tendering or preferred provider exercises are still in place are there more respondents offering a wider range of services or fewer?
- Are more care businesses engaging in innovative initiatives?

## 3 Summary

At a time of reduced public spending some of the activities outlined in this paper might feel like a luxury. However, given the growth in the number of self-funders of care and those using direct payments, the danger is that without a close relationship with, and understanding of, the market, care consumers and the local authority are both likely to suffer. The former through not having the benefits and safeguards that the authority can offer, and the latter if commissioners end up purchasing from organisations about which they know little and where there is even less understanding of the connections between funding, activity and outcomes.

Even with the development of Direct Payments, self-directed care and personal budgets, it needs to be recognised that the range of public sector bodies, not just adult social care, still have a wide influence over the care market. Therefore, it is important that their interventions are co-ordinated and work to support the market and care consumers.

Overall, there is a link between market position statements and the implementation of market facilitation. The MPS defines an evidence based strategic direction; commissioners, providers and consumers work together to begin to restructure local markets; and the local authority comes to a judgement about how, when and why it might need to intervene to help facilitate the outcomes and outputs that are desired. The whole approach needs to be underpinned by monitoring whether such activities are having the desired impact.