

**WRITTEN QUESTION TO THE MINISTER FOR HEALTH AND SOCIAL SERVICES
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 11TH OCTOBER 2016**

Question

Following the recent announcement regarding changes to the funding of home care services provided by Family Nursing and Home Care (FNHC), will the Minister:

- (a) advise where the changes were detailed in the Draft MTFP Addition (P.68/2016) and explain why they were not brought to the Health and Social Security Scrutiny Panel for consideration and to the Assembly for debate;
- (b) agree to release to Members the minutes or file notes of meetings held by the Department since 2014 at which the delivery of FNHC services was discussed, and advise whether, at a meeting in May 2016, funding was assured until the end of 2016;
- (c) advise when FNHC was informed that funding for its services would be cut immediately, and cease altogether on 1st January 2017; and
- (d) explain what impact such action would be likely to have on FNHC in respect of its:
 - (i) Delivery of home care services;
 - (ii) Staff numbers;
 - (iii) Staff terms and conditions (including rates of pay, pension, holiday and sickness entitlements); and
 - (iv) Charges for service users not covered by Long-Term Care or Income Support components?

Answer

- a) There is no reference in the Draft MTFP Addition (P.68/2016) because P.68/2016 relates to spending plans for the years 2017 – 2019 whereas this is a 2016 initiative which was referenced in the previous year's MTFP Addition (P72/2015). On page 83, HSSD outlines how it will deliver £7.6 million of savings in 2015-2016, including:
 - “Requiring efficiencies in contracts for services with on-island providers including voluntary and community sector partners”.

We would not ordinarily go into detail about specific elements of particular proposals, especially when the work on the detail of the proposal was still ongoing and being carefully considered.

- b) Key correspondence between the Department and FNHC over the period since 2014 has been shared with the Health and Social Security Scrutiny Panel and is listed at Appendix A. The minutes of the May 2016 meeting are attached (Appendix B), as are the letters from the Department to the Chair and Chief Executive of FNHC in April 2016 (Appendix C). These clearly state the intention to reduce the home care subsidy in two phases during 2016 with a view to removing the subsidy in totality from January 2017. They also advise FNHC of the need to ensure clients are using the correct funding streams (Long-Term Care Benefit or Income Support Personal Care Component) to fund their Home Care should they need financial assistance.
- c) Funding for home care is not being cut. The subsidy is being reduced. The attached letter dated 18th December 2015 (Appendix D) states clearly the intention to reduce the subsidy for Home Care. It

should be noted that the funding for reablement home care has been provided in full by HSSD through the Rapid Response & Reablement service.

- d) The impact on FNHC's Home Care provision is a matter for FNHC to answer; options are available for FNHC, but these are subject to decisions by their Committee. It should be noted that my Department offered a Deputy Director to work with FNHC one day per week to assist in considering options, but (unlike other voluntary sector organisations), FNHC did not take up this offer. Ultimately, decisions about their services and staffing arrangements are properly a matter for FNHC.

Appendix A

- July 2016 summary proposals for the 2016 contract
- 24 May notes of meeting
- 13 April letters from Senator Green to Ann Esterson and from Rachel Williams to Julie Gafoor
- 7 March letter from Julie Gafoor to Rachel Williams
- 4 February letter from Ann Esterson to Senator Green
- 4 February notes of meeting
- 7 January 2016 notes of meeting
- 21 December 2015 letter from Rachel Williams re: contract extension
- 18 December letter from Rachel Williams to Ann Esterson
- End of November letter from Ann Esterson to Rachel Williams
- 30 October letter from Julie Gafoor to John Spicer
- 29 October letter from Julie Gafoor to Rachel Williams
- 16 October letter from Rachel Williams to Julie Gafoor
- 18 May 2015 notes of meeting
- 28 November 2014 note from Derek Hoddinott to Rachel Williams Jason Turner, containing the April 2014 Commissioning Intentions which had been shared with FNHC
- 9th July 2014 notes of meeting

Appendix B

Notes of a meeting between FNHC and HSSD, 24 May 2016

Present: Julie Gafoor, Adrian Blampied
Rachel Williams, Amy Taylor

Home Care

Julie noted that FNHC accept the principle of reducing the subsidy.

Adrian noted that we need to agree the elements of the 2016 costs that need to be removed from the overhead calculations e.g. EMIS, refurbishment.

Adrian suggested that the Home Care funding from HSSD for May – December 2016 should be £555,488 (for 44,000 hours). This is pro rata at the rate of £29 per hour for 1 May – 31 July, and £21 per hour for 1 August – 31 December. Long Term Care Benefit should fund 16,973 hours.

It was agreed that, by 30 June at the latest (but earlier if possible, in order to provide FNHC with certainty) that:

- HSSD will fund Home Care for 2016 on this calculation basis
- Adrian to remove the non-overhead costs from the overhead calculation
- Amy and Adrian to agree the apportionment of overheads to services
- Adrian to refresh the other costings e.g. the Rapid Response and Reablement

District Nursing and Specialist Nurses

Julie noted that FNHC are broadly in agreement with the updated specifications. Rachel noted that there are a small number of changes that will be added following a discussion with Claire White.

Julie explained that FNHC will be piloting EMIS data collection for District Nursing, from 1st July.

Rachel explained that HSSD will be commissioning on an activity basis from 1 January – i.e. that there will be a payment for an amount of activity (which will be determined by benchmarking and considering current activity levels). Bronwen Whittaker (Deputy Director Community & Primary Pathways) will lead on this when she is in post from 27 June. This will provide the remainder of the year to be clear on requirements and safely transition. Julie expressed her comfort with Bronwen taking this role.

Rapid Response & Reablement

The ‘implementation plan’ was discussed. Julie noted that this was a plan to improve productivity, not a plan to transition from Proof of Concept’ to ‘Business As Usual’. Julie noted that a transition plan from Proof of Concept’ to ‘Business As Usual’ was required. She would send this to Rachel, along with the proposed budget and staffing structure.

Rachel noted that, once she has received and reviewed this, she would be in a position to agree that Rapid Response & Reablement can move into ‘Business As Usual’.

Rachel noted that she is on leave from Thursday 2nd June to 13th June.

In terms of the future, Rachel noted that, like District Nursing, the intention is to commission Rapid Response & Reablement on an activity basis from 1 January 2017. This will mean that FNHC will be responsible for operationally managing the service in order to achieve that activity, and therefore will not need to seek agreement for operational matters such as changing staffing levels. Julie welcomed this approach.

Rachel noted that FNHC still need to agree a Memorandum of Understanding (MOU) with Community & Social Services, regarding matters such as staff deployment and availability. She suggested that this should be progressed as a matter of urgency, and included in the transition plan.

Policy 1

Rachel provided an update on timescales and actions, and shared the action plan with Julie and Adrian.

Julie agreed that FNHC would send letters to their clients in due course, and would assist in arranging the assessments as HSSD cannot contact FNHC’s clients due to Data Protection issues.

Actions and update from February meeting

Adult Commissioning Intentions

Requested Action 1: Provide information regarding progress against contractual requirement to improve efficiency for District Nursing and Health Visiting and Invest to Save projects (electronic patient record and Clinical Management system). **Not yet received**

- Reiterated that JS would work with FNHC to identify the data / information that could demonstrate improvements in efficiency.

JG explained that the FNHC Business Plan has not yet been to their Committee. JG to send to RW when this has happened – possibly end of February. **Received**

Requested Action 2: refund HSSD for any posts that are funded but are vacant

- AB noted that 2015 accounts are not yet closed, but would be completed in draft by 12 February. AB to then confirm the unspent P82 monies. **Not yet completed**

Commissioning Intention 1 – Alter financial reporting to provide clarity regarding funding sources; progress service line costing

- AB agreed to progress this once the 2015 accounts are closed. **In progress?**

Commissioning Intention 2 – work together to align processes and criteria for Policy 1, and Commissioning Intention 4 – review all Homecare clients and transfer to appropriate funding source

- FNHC will send data to Will Lakeman this week, then meet in the week commencing 22 February. **Complete**

- JG noted that the client base is now c220, with approximately 58% at GNS 3 – 5

- RW noted that clients are assessed, their Indicative Budgets identified and the individuals then choose their providers; she suggested that FNHC should consider how to make themselves more financially competitive and/or to consider their offering in order to ensure clients continue to choose their services

- JG noted that FNHC may decide not to remain in the market for traditional home care in the future

- JG noted that the next FNHC Committee meeting is 12 April, as Ann Esterson is away for 7 weeks

Commissioning Intention 5 – HSSD to fund District Nursing, with a revised specification and metrics. **In progress**

- RW reiterated that HSSD are intending to fund District Nursing (all service provision costs). An updated service specification is required

- JS and FNHC to revise and update the service specification and metrics in Q1 (action as per previous meeting); this will include considering service models from other jurisdictions and their outputs / outcomes, modelling to understand volumes, understanding the current services and identifying gaps

Commissioning Intention 8 – produce a project plan to improve sustainability. **Not received**

- FNHC had not produced an initial draft project plan. This was an agreed action from the previous meeting, and was to be discussed in this meeting

- A short discussion ensued regarding workstreams; RW asked if FNHC needed help to produce the initial draft; JG / AB noted that they could do it

- (action from previous meeting) JS to then work with FNHC to develop the plan, to be agreed (and for actions to be progressed) no later than 31 March

AOB

- AB and AT to discuss and confirm the contract amount for the main contract

- Costed workforce proposal for RRRT still required. A word document had been received in late October, but this did not demonstrate clearly what was proposed in terms of the existing and future team. Detailed costings were received on 29th January. Both elements need to be brought together, in order to clearly show:

- 2015 staffing and cost
- Proposed staffing and how this differs from the original
- Reasons – how this will increase capacity and value for money
- Proposed cost (which must be within the original envelope)

- A short discussion was held regarding strategic / future ambitions for RRRT, including which organisation should employ staff once the team has moved to 'business as usual'

Appendix C

Health and Social Services Department

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Ann Esterson
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13 April 2016

Dear Ann

Re: Health and Social Services Commissioning Intentions for 2016

Thank you for meeting with myself and my officers. I think we had some useful and interesting discussions, and I hope the meeting went some way to clarifying the way forward, which we have discussed at various times over the past 2 years. As I noted at the meeting, I appreciate and value the work that is done by Family Nursing and Home Care. You are a much-loved Jersey organisation, and I know that many Islanders benefit from your services and hold you in high regard.

I have attached a letter from Rachel Williams to Julie Gafoor, which I hope will provide you with the technical detail and clarity that you have requested. I hope this addresses your questions, and also those which you raised in your email last Monday. I will try to respond to your email firstly; I have written your original email in blue, for ease of reading:

(1) Health will no longer fund any home care for the elderly (unlike the UK which funds it albeit on a limited budget). It was unclear whether homecare services currently paid through a block contract would continue to be funded by Health, typically complex child cases.

- the Long Term Care Benefit funds care for some Islanders, others will be considered within 'policy 1', which is being developed this year. Towards the end of the year we will be able to confirm the funding sources for all adults. Notwithstanding this, HSSD will continue to fund care for anyone under the age of 18.

(2) Existing funding, largely targeted at the more vulnerable elderly through FNHC, will be withdrawn. There is no intent to purchase any social care for the elderly through any provider.

- As I explained in our meeting, from 1st January 2017 we will fully withdraw the subsidy which is being used to reduce your home care charges.

(3) Jersey residents in need of homecare support will have to find a provider and pay the full cost of such services at a price the market determines. (4) Those who qualify for the Long Term Care Allowance will have a component to cover all or part of the cost (depending on fees charged by providers.)

- this is correct, and has been the case since the introduction of the Long Term Care benefit in 2014. An individual's Long Term Care Benefit amount is determined by their needs assessment and their ability to meet their initial care costs themselves.

(5) The less well-off and cash poor who don't come into the LTCA categories may be helped through the Income Support System but this has yet to be confirmed. I am unclear whether the Policy 1 proposal has been approved by the Social Security Minister, what level of support, if any, might be given and the timeframe.

- HSS is working very closely with the Social Security Department to ensure that low income households will be able to receive means tested support with care costs through an extension of Income Support Personal Care components.

(6) You want to keep FNHC in the mix of providers but may be unable to help ease the transition of the elderly receiving homecare services at a reduced to a full rate from FNHC (and also FNHC's transition to the creation of a business model arm of the organisation) after the end of this year.

- I want Islanders to have choice, in order to achieve this we need a number of providers.

(7) The policy intent is to fund District Nursing Services in full but as yet the basis of assessing full costs and timeframe is unclear.

- I understand that both of our teams have agreed to complete this work by the end of this month; Rachel's letter (attached) refers to this.

As explained in the meeting, I am clear that my Department needs to cease the home care subsidy from 1st January 2017, and also needs to improve value for money from District Nursing. To that end, Rachel has set out a clear timescale and expectations in her letter to your Chief Executive. I believe this is a considered and achievable plan, which should provide you with enough time to make any changes, for example, by considering whether you wish to subsidise your services using other funding sources. I just wanted to be clear, though, that this isn't the same as 'removing a block contract', and I was heartened that you understood this in the meeting and expressed your commitment to achieving the subsidy removal.

In terms of District Nursing, our teams will continue to work together on the service specification, and the amount of services that Islanders need. I understand that this will be complete by the end of this month.

I can also confirm that the funding for Children's services will remain at 2015 levels for the remainder of 2016.

In summary, I wanted to note that I understand you are concerned about the changes facing FNHC, but I hope you also agree that there are many opportunities to develop and integrate care in order to ensure that services remain safe, sustainable and affordable and are delivered in partnership.

I intend to continue to support the most vulnerable individuals in our society, in particular by investing in rapid response, reablement home care, mental health and sustained home visiting, and I hope that FNHC will continue to be a key partner in this journey, receiving additional funding to provide some of these new and expanded services.

I trust this letter has helped to clarify your questions, and I would like to take this opportunity to thank you again for your hard work and dedication, and to the difference you make to Islanders on a daily basis.

Yours sincerely

Senator Andrew Green MBE
Minister for Health and Social Services
States of Jersey

Copy:
Constable Refault
Deputy McLinton
Julie Garbutt
Rachel Williams
Jason Turner

Health and Social Services Department

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13 April 2016

Dear Julie

Re: Health and Social Services Commissioning Intentions for 2016

I am writing following the meeting between HSSD and yourselves on 1st April. In that meeting, and in your recent letter, you requested further clarity regarding HSSD's Commissioning Intentions and in particular regarding timescales.

I will address each of the three services in turn (Home Care, District Nursing and children's services):

Home Care

As noted at the meeting, it is useful to consider two elements separately:

1. Withdrawal of home care subsidy and reduction in home care cost base
2. Clarity over funding sources (Long Term Care Benefit and Policy 1)

To be completely clear, we are not 'removing a block contract'; we are withdrawing the (anti-competitive) HSSD subsidy and also working with you to identify the most appropriate funding sources for your clients. This needs to have been fully implemented by 1st January 2017, but the subsidy transition needs to start immediately.

I will outline each of the two elements separately:

Withdrawal of subsidy

As your Chairman recognised in the meeting, the Department cannot continue to subsidise the cost of your home care services, as these services are now provided in a competitive market; to continue the subsidy using taxpayers' money would be unfair to the other providers.

In my letter of 18th December 2015, I offered an extension to your 2015 Agreement for a further 3 months, in order to provide you with some additional time to transition (noting that the subsidy withdrawal had first been signalled in 2014). It was agreed that you would produce a project plan, and John Spicer was

made available to you 1 day per week to assist with either reducing your cost base / increasing productivity (a contractual obligation from 2014 and 2015), or making decisions regarding utilisation of charitable funding to subsidise your market rates.

Calculations undertaken by our Finance Department indicate that your direct costs of home care are c£40 per hour; I am aware that you receive income of £11 per hour from clients, therefore the required subsidy is £29 per hour. If the income you received from clients was set at the market rate of £19 per hour, you would require a £21 per hour subsidy from HSSD in order to achieve your current full direct cost recovery of £40 per hour.

With this in mind, the following timescales will apply:

- i. From 1 May, HSSD will fund 100% of Home Care activity at £29 per hour (i.e. covering your direct costs of care)
- ii. From 1 August, HSSD will fund at £21 per hour (i.e. covering the direct costs of care after deducting the market rate for care)
- iii. From 1 August, all 48 clients currently receiving LTCB will no longer receive any HSSD subsidy.

The rate at which you market your services is, of course, a matter for you to decide. Whilst we cannot require you to utilise alternative funds to subsidise your Home Care, I would expect you to consider using your charitable funds or reserves in the period to 1 January 2017 (when the Income Support Personal Care Component 4 is planned to be introduced), in order to protect individuals from financial hardship.

In terms of the safe transition and achievability of my proposals, my understanding is that you are projecting home care activity in 2016 that is 30% below your activity levels from 2015; I am assuming this will have an associated cost base reduction and, when considered along with the financial information above, an immediate reduction in HSSD's subsidy should be safely achievable.

Funding Sources

I understand that previous discussions have clarified there are 4 categories of clients:

1. Individuals currently in receipt of Long Term Care Benefit, who are already appropriately using this to purchase home care services
2. Individuals currently in receipt of Long Term Care Benefit, who are not using this to purchase home care services
3. Individuals who may be eligible for the Long Term Care Benefit, but have not yet been assessed
4. Individuals who do not meet the Long Term Care Benefit criteria ('policy 1')

I understand that you have reduced the number of clients for whom you provide home care, to approximately 220 individuals, c58% of whom you believe have care needs at GNS 3 – 5. You also currently have 48 clients who are already in receipt of Long Term Care Benefit.

With this in mind, I am proposing that, over the course of 2016, we will assess all of your clients using our standard assessment tool, and will transfer their funding to the Long Term Care Benefit at that point.

I have asked Chris Dunne to confirm the timescales for these assessments with you.

As you are aware, we are also progressing political decisions regarding 'policy 1'; this being the clients who are not eligible for the Long Term Care Benefit but for whom the States will in future provide means tested funding through Income support. This policy will be complete by Q4 2016.

In our January meeting you agreed to alter your financial reporting to provide clarity regarding funding sources, and to progress service line costing once the 2015 accounts are closed; this should provide you with clarity in order to robustly plan the transition of funding sources.

District Nursing

As stated in the Commissioning Intentions and in meetings in January and February, HSSD will commission and fund District Nursing, against a revised specification and metrics. I understand that the specification has been completed by John Spicer and Tia Hall; the next step is to specify the level (volumes) of services that HSSD wish to commission, based on International benchmarks. This will be complete by 30th April 2016.

The new specification, with clear commissioned volumes and metrics, will be introduced from 1 January 2017; until then, HSSD will continue to fund District Nursing at the same levels as in 2015. Given the 2014 contractual requirement to improve productivity and efficiency, and the fact that your funding has increased with inflation since that time rather than reducing to take account of increased productivity, this should provide you with sufficient financial headroom to transform services safely in the remaining 8 months of the year.

Children's Services

I can confirm that the funding for Children's services will remain at 2015 levels for the remainder of 2016. Andrew Heaven will discuss any required changes to Children's services with you in Q3 2016.

Any new Agreement will apply from 1 January 2017 for 2 years, during which time, HSSD may decide to re-tender services.

Summary

I understand your concerns regarding the changes facing FNHC, but I hope you also agree that there are many opportunities to develop and integrate care in order to ensure that services remain safe, sustainable and affordable and are delivered in partnership. Both P82 and the Sustainable Primary Care Strategy are important in this regard, and FNHC have been a key partner in this journey, receiving additional funding to provide new services such as Rapid Response and Reablement.

I trust this letter has clarified the required timescales and funding levels, and I look forward to continuing our regular meetings and to working together as you move safely towards the new funding arrangements.

Yours sincerely

Rachel Williams

Director of System Redesign and Delivery

Health and Social Services

States of Jersey Department

cc. Ann Esterson; Senator Green; Constable Refault; Deputy McLinton; Julie Garbutt; Rachel Williams; Jason Turner

Appendix D follows

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18 December 2015

Dear Ann

Re: Health and Social Services Commissioning Intentions for 2016

Thank you for your letter (undated) following your recent Committee meeting.

I understand your concerns regarding the changes facing FNHC, but I hope you also agree that there are many opportunities to develop and integrate care in order to ensure that services remain safe, sustainable and affordable and are delivered in partnership. Both P82 and the Sustainable Primary Care Strategy are important in this regard, and FNHC have been a key partner in this journey, receiving additional funding to provide new services such as Rapid Response and Reablement, as noted in the Commissioning Intentions from 2014.

I was surprised to see your assertion that there has been a 'sudden decision' regarding the funding of home care, as it has been discussed with senior officers for FNHC since May/June 2014, when the original Commissioning Intentions were produced. You asked us not to implement the Commissioning Intentions at that time as you were producing your Strategy, and we agreed to delay their implementation whilst your strategic review was underway. The FNHC Strategy was subsequently published in March 2015. The October 2015 Commissioning Intentions are intended to clarify and re-state the Intentions from 2014; the intention remains to commission District Nursing in full, and to fund reablement home care.

At the time of the original discussions regarding Commissioning Intentions, and the development of your Strategy, new funding streams became available; these apply to some of your clients, and I have assumed that this is incorporated into your Strategy and your long term Funding Plan. We now need to utilise these funding streams by transitioning eligible clients onto Long Term Care Scheme or Income Support funding in the coming months.

In terms of HSSD funding, we are currently considering what traditional home care we need to commission for those who are not eligible for Social Security funding – you will have heard this referred to as 'policy 1'. In order to do so, we need to identify individuals who are in receipt of Long Term Care Scheme funding and/or Income Support, and we are currently awaiting a data exchange between yourselves and SSD for this purpose.

Regarding the costs and charges for home care, I am sure you can appreciate that the Department cannot continue to subsidise this, as it is now provided in a competitive market; to do so would be unfair to the other providers. As a charity, you can of course utilise your charitable funding in order to subsidise your costs and/or provide services for those who are not eligible for States support; or you could decide to charge those clients who can afford to pay for your services. I understand that you are working to reduce your costs and increase productivity for the home care that you decide to continue providing; this was a contractual obligation in 2014/15, and I understand you are progressing this, which should significantly assist in reducing your costs closer to market levels.

In order to provide you with some additional time to transition, I am willing to agree an extension to your 2015 Agreement for a further 3 months. This will take you to 31 March 2016, which will be almost 2 years since the Commissioning Intentions were first published, and a year after your Strategy was produced.

I look forward to receiving your long term Financial Plan, which will need to be cognisant of the Commissioning Intentions. I also reiterate my offer to continue to fund John Spicer 1 day per week to work with FNHC to help improve your financial position and sustainability, up to 31 March 2016. I understand that John is meeting with Adrian this week to continue discussions regarding sustainability.

I hope this letter clarifies our position and responds to the points made in your letter; Julie Gafoor and I are due to discuss these matters further in the new year, after she returns from leave.

Yours sincerely

Rachel Williams

Director of System Redesign and Delivery
Health and Social Services
States of Jersey

cc.

Senator Green
Constable Refault
Deputy McLinton
Julie Garbutt
Susan Devlin
Jason Turner