
Guidance Note:

Implementation of the Health & Social Care Standards and the impact on NCHC 'Enhanced Quality Award' and 'Reduced Quality Deduction'



Implementation of the Health & Social Care Standards and the impact on NCHC 'Enhanced Quality Award' and 'Reduced Quality Deduction'

1. Health & social care standards background & context

- 1.1 The introduction of the Health and Social Care Standards¹ have meant that the Care Inspectorate (CI) will be changing its approach to scrutiny, strongly focusing on assessing the quality of people's experiences and understanding the difference care and support makes to their lives. This will start with care homes for older people in July 2018.
- 1.2 The core of the new approach will be a quality framework² which sets out the elements and key questions about how good outcomes for people are, what difference it is making and the strength of things that contribute to that.
- 1.3 The CI has undertaken test inspections in care homes, using the standards. Having considered various scoring models, the CI believes it has now developed a standardised inspection process for care homes for older people which will be applied across other sectors.
- 1.4 The new 'inspection framework' considers 6 'key questions' ('key question' 6 is not graded). The number of questions that will be looked at on an inspection will be determined by the available intelligence and an assessment of risk.

Key questions:

1. How well do we support people's wellbeing?
 2. How good is our leadership?
 3. How good is our staff team?
 4. How good is our setting?
 5. How well is our care planned?
 6. What is the overall capacity for improvement?
- 1.5 As this approach begins in July 2018, all Care Homes for Older people will have been the subject of an inspection under this new approach by July 2019. The CI have committed to retain their existing six point grading scale, but have developed the descriptions that underpin these to provide greater clarity.
 - 1.6 Where a care home is considered low risk, 'key question' 1 (indicators 1.1, 1.2 & 1.3) and 5 (indicator 5.1) will always be evaluated. Where a care home is considered high risk a range of indicators from each 'key question, will be tested. Each 'key question' will be awarded a grade and this will be determined by the evaluation of the quality indicator. When more than one quality indicator is

¹ [health and social care standards](#)

² [Care Inspectorate - Quality Framework](#)

considered and where there is a difference in the grades awarded to these, the 'key question' will be awarded the lower or lowest of these grades.

Example: key question 1:

How good are outcomes for people experiencing care?	4 – Good
1.1. People experience compassion, dignity and respect	6 – Excellent
1.2. People have a good quality of life as a result of their care and support	5 – Very good
1.3. People's health benefits from their care and support	4 – Good

- 1.7 The CI have indicated that the scores awarded, in the initial test sites, show no significant variance from the scores awarded through the existing inspection methodology.
2. NCHC Quality awards.
- 2.1 Previous years' fee negotiations introduced elements to the weekly rate, intended to promote a 'quality agenda'. There are 2 elements which are dependent on CI grades. These are set out at appendix 1 (c) of the NCHC (see appendix A attached).
- a) **Reduced Quality Deduction;** where a care home receives a score of 2 or less in the theme Quality of Care & Support the host authority may consider it appropriate to reduce the weekly rate by £20 per person. This rate applies to both residential and nursing care.
- b) **Enhanced Quality Award;** Introduces a financial award, above the Headline fee for grades of 5 or more again this will only be triggered when a grade of 5 or more is achieved in the theme Quality of Care & Support.
- Part Enhanced Quality Award:

Care homes that receive a grade of 5 or 6 in 'Quality of Care and Support' only (and a minimum of grade 3 in all other themes) receive an additional:

 - £1.50 per resident per week (care homes without nursing)
 - £2.00 per resident per week (care homes with nursing)
 - Full Enhanced Quality Award:

Care homes that receive a grade 5 or 6 in 'Quality, Care and Support', and a minimum of grade 5 in any other Quality theme, receive an additional £1.00 on top of the partial award. This applies to both residential and

nursing. Full award for non-nursing and nursing homes equates to:

- £2.50 per resident per week (care homes without nursing)
- £3.00 per resident per week (care homes with nursing)

3. Proposal to accommodate changes to CI inspection process

3.1 Where care homes have been graded under the **current** CI inspection process the existing contractual criteria for the 'Enhanced Quality Award' and 'Reduced Quality Deduction' remains unchanged.

3.2 Where care homes are inspected under the **new** process, it is proposed that the application of both the 'Enhanced Quality Award' and 'Reduced Quality Reduction' rates can still be applied through the following;

	Current CI inspection process, contract requirements.	New CI inspection process, proposed requirements.
Part Quality award	Care homes who receive a QAF grade of 5 or 6, and a minimum of grade 3 in other themes	Care homes who receive a KQ 1 grade of 5 or 6, and a minimum of grade 3 in any other KQ
Full Quality award	Care homes that receive a QAF grade 5 or 6 and a minimum of grade 5 in any other theme	Care homes that receive a KQ 1 grade 5 or 6 and a minimum of a 5 in any other KQ
Reduced Quality Reduction	Care homes that receive a QAF grade of 2 or less in the theme Quality of Care & Support	Care homes that receive a KQ 1 grade of 2 or less.

3.3 As changes relate only to the CI grade terminology and is limited to appendix 1 (c), rather than any substantive clauses of the NCHC itself, requirements to remain contractually compliant with the NCHC, can be kept to issuing a revised appendix 1(c) (see appendix B attached).

--- 00 ---

Appendix A: NCHC appendix 1 (c)

Appendix 1 (c)

This is Appendix 1(c) referred to in the foregoing Contract between [PROVIDER'S NAME] and XXXX Council and sets out the approach to incentivising quality and which the agreed fee rates which will be paid where the Provider meets the quality standards detailed hereunder.

1. Headline Fee

This is the rate that the Provider will receive per week as set out in Column 1 of Appendix 1 for:

- (i) achieving and maintaining a minimum QAF grade 3 in the themed area of 'Quality of Care and Support';
- (ii) providing Service to Residents in a manner which meets or exceeds the requirements set out within this Contract; and
- (iii) adhering to the agreed Contract Pre-Conditions. Failure by the Provider to achieve all of the Pre-Conditions contained in the Paragraphs referred to below may result in the Council's Approved Rate reverting retrospectively, with effect from 8th April 2013, to the Default Rate.
 - a. A.6.5
 - b. A.9.30
 - c. B.8
 - d. C.1.7

The provision of the Headline Fee to Care Homes which do not satisfy these criteria is at the discretion of the Council.

2. Enhanced Quality Award

In order to create additional incentives to improve the quality of Care, an Enhanced Quality Award in excess of the contract price will be available to the best performing Care Homes. Specifically:

- (i) For residential Care Homes, an additional £1.50 per Resident per week will be available if a QAF grade of 5 or 6 is achieved in 'Quality of Care and Support' and a minimum of grade 3 in the other categories.
- (ii) A further £1.00 per resident per week will be available to residential Care Homes that achieve a QAF grade of 5 or 6 in 'Quality of Care and Support' and a minimum of a 5 in any one other category.
- (iii) For Care Homes with nursing, an additional £2.00 per Resident per week will be available if a SCSWIS QAF grade of 5 or 6 is achieved in 'Quality of Care and Support' and a minimum of grade 3 in the other categories.
- (iv) A further £1.00 per Resident per week will be available to Care Homes with nursing that achieve a QAF grade of 5 or 6 in 'Quality of Care and Support' and a minimum of a 5 in any one other category.

3. Reduced Quality Deduction

A flat rate deduction to the Headline Fee of £20 may be applied to incentivise Providers to improve their performance as evidenced by the QAF grading system.

- (i) Where a Care Home receives a QAF score of 2 or less in the themed area of 'Quality of Care and Support', and where it has generally provided good quality care and has not previously been graded at 2 or below, that Care Home should be given the opportunity to correct this through a robust improvement plan agreed with the Care Inspectorate.
 - a. That Care Home should not normally be subject to the £20 Reduced Quality Deduction unless it fails to recover a Grade 3 or above at the next inspection.
 - b. The final decision as to whether a reduction is applied will be at the discretion of the Council.
- (ii) Where a Care Home receives a QAF score of 2 or less in the themed area of 'Quality of Care and Support', and where that Care Home has previously been graded at that level or below in that theme, the £20 Reduced Quality Deduction per Resident per week will normally be deducted from the Headline Fee (for both nursing and residential Care Homes). The final decision as to whether a Reduced Quality Deduction is applied will be at the discretion of the Council.

Appendix B: Revised NCHC appendix 1 (c)

Appendix 1 (c)

This is Appendix 1(c) referred to in the foregoing Contract between [PROVIDER'S NAME] and XXXX Council and sets out the approach to incentivising quality and which the agreed fee rates which will be paid where the Provider meets the quality standards detailed hereunder.

Clause A.21 Suspension will be interpreted to reflect the new gradings scheme set out in this Appendix

4. Headline Fee

This is the rate that the Provider will receive per week as set out in Column 1 of Appendix 1 for:

- (iv) achieving and maintaining a minimum quality framework grade 3 in Key Question 1;
- (v) providing Service to Residents in a manner which meets or exceeds the requirements set out within this Contract; and
- (vi) adhering to the agreed Contract Pre-Conditions. Failure by the Provider to achieve all of the Pre-Conditions contained in the Paragraphs referred to below may result in the Council's Approved Rate reverting retrospectively, with effect from 8th April 2013, to the Default Rate.
 - a. A.6.5
 - b. A.9.30
 - c. B.8
 - d. C.1.7

The provision of the Headline Fee to Care Homes which do not satisfy these criteria is at the discretion of the Council.

5. Enhanced Quality Award

In order to create additional incentives to improve the quality of Care, an Enhanced Quality Award in excess of the contract price will be available to the best performing Care Homes. Specifically:

- (v) For residential Care Homes, an additional £1.50 per Resident per week will be available if a quality framework grade of 5 or 6 is achieved in 'Key Question 1' and a minimum of grade 3 in the other evaluated Key Questions.
- (vi) A further £1.00 per resident per week will be available to residential Care Homes that achieve a quality framework grade of 5 or 6 in 'Key Question 1' and a minimum of a 5 in any one other evaluated Key Question.
- (vii) For Care Homes with nursing, an additional £2.00 per Resident per week will be available if a quality framework grade of 5 or 6 is achieved in 'Key Question 1' and a minimum of grade 3 in the other evaluated Key Questions.
- (viii) A further £1.00 per Resident per week will be available to Care Homes with nursing that achieve a quality framework grade of 5 or 6 in 'Key Question 1' and a minimum of a 5 in any one other evaluated Key Question.

6. Reduced Quality Deduction

A flat rate deduction to the Headline Fee of £20 may be applied to incentivise Providers to improve their performance as evidenced by the quality framework grading system.

- (iii) Where a Care Home receives a quality framework score of 2 or less in 'Key Question 1', and where it has generally provided good quality care and has not previously been graded at 2 or below, that Care Home should be given the opportunity to correct this through a robust improvement plan agreed with the Care Inspectorate.
 - a. That Care Home should not normally be subject to the £20 Reduced Quality Deduction unless it fails to recover a Grade 3 or above at the next inspection.
 - b. The final decision as to whether a reduction is applied will be at the discretion of the Council.
- (iv) Where a Care Home receives a quality framework score of 2 or less in 'Key Question 1', and where that Care Home has previously been graded at that level or below in that theme, the £20 Reduced Quality Deduction per Resident per week will normally be deducted from the Headline Fee (for both nursing and residential Care Homes). The final decision as to whether a Reduced Quality Deduction is applied will be at the discretion of the Council.