

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	16 May 2011
Title:	Electronic Domiciliary Care Monitoring (EDCM)
Reference:	2827
Report From:	Director of Adult Services

Contact name: Mick Moorhouse

Tel: 01962 847158

Email: Michael.moorhouse@hants.gov.uk

1. Executive Summary

1.1. The purpose of this report is to seek approval to go out to tender by way of a mini competition to procure an Electronic Domiciliary Care Monitoring (EDCM) system from the Eastern Shires Purchasing Organisation Framework (ESPO).

1.2. The implementation of the EDCM system would:

- enable greater transparency of what was being purchased from the providers
- only pay for care that is delivered as opposed to commissioned
- electronic payment of invoices, resulting in significant savings in processing time
- on line information that will enable accurate and reliable invoicing of service users
- reduce provider processing costs
- enable providers to address lone working concerns for their workforce
- provide management information that allows the most vulnerable service users, to be monitored during times of emergency
- enable the monitoring of the quality of the service through on line management information.

2. Contextual Information

2.1. EDCM was developed in the late 1990s, in part, as a product of the local government agenda to achieve 'best value'. Care Services Efficiency Delivery (CSED) provided some initial support and developed an earlier

EDCM system. However, there were some design problems and as a result there was little uptake for councils across the country. However, there has been significant growth in the development and availability of EDCM systems, from a range of providers over recent years.

- 2.2. EDCM involves replacing hand written time sheets and the associated administration with electronic data capture, analysis and reporting. Electronic monitoring systems are usually telephony based, utilising the Service User's telephone, or a mobile phone, to record visit times. The data is then analysed and used to:
 - Pay Carers
 - Pay Home Care Providers
 - Invoice Service Users
 - Provide timely management and performance information
 - Help plan the development of Home care services.
- 2.3. National studies carried out by the Care Services Efficiency Delivery (CSED) have found evidence that a local authority will save in the region of approximately 5% of its home care budget by implementing EDCM, as a result of only paying for services that it receives, rather than commissions. This would equate to £2.0m for Hampshire Adult Services.
- 2.4. Studies in one local authority, who have already implemented EDCM, have discovered that 23% of commissioned 15 minute visits lasted less than one minute; the authority in question now pay by the minute. However, the way in which the department currently commissions services would result in Hampshire Adult Services paying for the full 15 minute visit.
- 2.5. The overall cost to implement would be established through a tender process, using the ESPO Electronic Home Care Monitoring Framework. Indicative figures obtained from a number of companies on the framework suggest that the average implementation costs would be approximately £500k in the first year (one off start up costs) and £400k per annum thereafter. The costs are based on 8000 service users and 70 providers.

3. Key Issues

- 3.1. In terms of staffing, EDCM puts no additional pressure on Care Management staff. It will in fact support reviews of packages that are consistently over or under delivered. Care Managers would see no difference in how the service was delivered. Clients equally would see no change to the way with which they received their care. The only potential issue would be allow the carer to use the telephone to log in and out. Research has shown that this is often raised as a potential issue. However in reality this is rarely found to be the case and there are alternatives built into the process.
- 3.2. The research has also demonstrated that the implementation of EDCM drastically reduced their reliance on staff manually processing invoices, as this was now done automatically. It is estimated that Hampshire County

Council would be able to save 50% in process time, equating to around £100k per year.

- 3.3. It is not only Hampshire County Council that would benefit from the implementation of EDCM; providers have also found the system to be of benefit. Providers will be able to monitor staff performance and reliability. EDCM also offers far speedier payment and improved cash flow, which will be particularly beneficial for smaller providers.

4. Financial Implications

- 4.1. As highlighted in section 2.3 there are clear financial benefits to implementing EDCM. Nationally it is found to produce efficiencies of between 5% of the domiciliary care budget.
- 4.2. The savings are delivered primarily through paying only for care that is delivered as opposed to commissioned, resulting in potential savings of £2.0m in a full financial year.
- 4.3. The overall cost to implement would be established through a tender process, using the ESPO Electronic Home Care Monitoring Framework. Indicative figures obtained from a number of companies on the framework suggest that the average implementation costs would be approximately £500k in the first year (one off start up costs) and £400k per annum thereafter. First year costs will be met using the cost of change budget and subsequent years by netting off the savings against operational budgets.
- 4.4. Hampshire County Council would need to change its current payment method (blocks of 15 minutes) to paying by the minute. Currently there is no transparency on what has been delivered, and Care Management and Providers are relied upon when paying invoices. EDCM has an on line payments system which will not only deliver the savings outlined in paragraph 4.2 but will also deliver significant savings in process time.
- 4.5. In order to run the mini competition for an EDCM system it is intended that Hampshire County Council would use the ESPO Framework Agreement for Home Care Monitoring 394.
- 4.6. The costs and potential savings outlined in the report are based at this stage on research carried out with other county councils of a similar size and ESPO guidance.
- 4.7. There is no requirement to purchase any system if the mini competition does not prove to be a financially viable option, or fails to deliver the objectives of the business plan.

5. Legal Implications

- 5.1 The method of procuring the system will be by mini competition under the Terms and Conditions of the ESPO framework for EDCM. Corporate Procurement have confirmed that they have approved the use of the framework as a method of achieving value for money and a reliable tender process. Legal Services are reviewing the terms and conditions of the

framework to ensure they are compatible with Hampshire County Council requirements. It is currently anticipated that it will be possible to make suggested amendments.

- 5.2 Legal Services have identified that there would need to be a very clear understanding of how data would be stored if the supplier of EDCM offered a hosted service (in a hosted service – the supplier holds the call and client/staff data on their own servers on the Authority’s behalf). This will be understood as part of the technical requirements section as detailed in the service specification.

6. Performance Implications

- 6.1 The implementation of EDCM would see no change to front line staff. The system would in fact support the review process by identifying clients who were constantly having care over or under delivered.
- 6.2 Finance would see a increase in the speed of processing payments, and a decrease in the number of staff required to manage the process. EDCM is capable of generating payment to the providers based on what they have recorded as being delivered care. Because EDCM logs the phone number that the worker called from it is a reliable method on ensuring that the visit took place and the duration.
- 6.3 Providers will also realise significant efficiencies in reducing the number of invoices and simplifying their processing. Figures suggest that the costs of raising an invoice can range from between £17 - £34 and with some providers submitting around 200 individual invoices a month, the costs are substantial. EDCM would effectively reduce those transactions to zero as a result of on line payments.
- 6.4 There are other administrative efficiencies from the use of EDCM. For example, it enables queries from service users, carers or relatives to be dealt with in an accurate and timely manner, as the system records arrival and departure times.

7. Equality Impact Assessment

- 7.1 The effect of implementing EDCM will allow family members to view delivery of care, subject to the written consent from the service user. This will enable carers to monitor any recurring issues over the delivery of service. It will also provide management information to assess the quality and reliability of service delivery, particularly in the more rural parts of the county.

8. HR/Training Implications

- 8.1 There are no TUPE issues arising from this report.
- 8.2 There will be a training requirement for both Hampshire County Council staff and domiciliary care providers on the different aspects of the EDCM systems and processes. This will be built into the set up costs of the mini competition submission.

9. Risk Assessment

9.1 Completion and approval of Procurement process:

The procurement process is going to be run using the ESPO framework for Home Care Monitoring. Corporate Procurement and Legal Services have already confirmed that this framework can be used.

9.2 Availability of Project Team IT team resource:

The departmental IT board has already signed off the project as a priority 1. The report has now been back to the Adult Services IT Board where resources have been allocated.

9.3 Legal team availability for Contract award:

Resources are available to support the award of the contract as part of the overall AS savings project to let the new Preferred Provider List. EDCM is a standard requirement for acceptance onto the PPP.

9.4 Operational availability for demos, feedback and testing:

The project plan will enable members of staff to schedule in the time required for supporting the evaluation.

9.5 Clients not willing to allow care workers to log in and out using their clients telephone (there is no cost to the client):

Alternative technology exists for carers to log the visits while still giving the authority reassurance that the visit took place. There is an additional cost to this technology and this has been factored into the estimated annual costs for the project.

10. Option Analysis & Comparison

Option 1

Do Nothing: Continue with the existing system of relying on providers to supply Hampshire County Council with the amount of hours they have delivered, and to continue to process manually all of the invoices submitted by the independent sector providers.

Option 2

Devolve the responsibility to providers to purchase a call monitoring of their own. However this will not deliver all the aims and will still not guarantee that only the care delivered is paid for, and may compromise Hampshire County Council's ability to automate the payment process.

Option 3

To seek authority to tender for a provider to supply Hampshire County Council with an EDCM referred to as the Centralised Model. The tender will establish which provider is able to deliver a system to allow Hampshire County Council to achieve the objectives set out in 1.2 and achieve the savings target.

11. Recommendation

- 11.1 Option 3, the Centralised Model, be approved, and that approval therefore be given to go out to tender by way of a mini competition to select a suitable provider from the ESPO framework to meet Hampshire County Council's requirements, which may result in the award of contract(s).

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

A full Equalities Impact Assessment has been published and is available on the County Council website at <http://www3.hants.gov.uk/as-equality-ia-archive.htm>.

The summary of the Equalities Impact Assessment is below:

The effect of implementing EDCM will allow family members to view delivery of care. This will enable carers to monitor any recurring issues over the delivery of service. It will also provide management information to assess the quality and reliability of service delivery, particularly in the more rural parts of the county.

2. Impact on Crime and Disorder:

2.1. No impact has been identified.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No impact has been identified.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No impact has been identified.