

ADVICE NOTE FOR LOCAL GOVERNMENT: ACCOUNTING FOR SPEND AGAINST THE NHS £1.3BN: COVID DISCHARGE ARRANGEMENTS

Context

- This note is not intended to replace the NHSE&I guidance, frequently asked questions and responses, and model amendments/extensions to existing Section 75 arrangements posted on the Better Care Support Exchange website
- Rather, it is aimed specifically at Local Government Finance Leads and key others faced with the challenge of properly accounting for expenditure to be claimed against the national £1.3bn allocation to support enhanced discharge arrangements¹ during the Covid-19 pandemic, and ensuring that reimbursement claims are fully auditable, internally and externally

Summary of National Guidance

- Acute and community hospitals must discharge all patients as soon as they are clinically safe to do so.
- NHS Continuing Health Care (CHC) assessments for individuals on the acute hospital discharge pathway and in community settings have been suspended for the period of the emergency.
- NHS will fully fund the cost of new or extended out-of-hospital health and social care support packages. This can include publicly funded packages that are restarted after discharge during this period, where there is local agreement to do so.
- Self-funder assessments are deferred.
- All deferred assessments will need to be completed once the emergency period ends.
- Emphasis on local systems (LAs and CCGs) agreeing their detailed arrangements about how much LA existing spend/budget (if at all) is pooled, and to ensure monthly reimbursement claims to NHSE&I are made on time, supported by the requisite detail/working papers, and to ensure, in turn, that LAs are properly reimbursed for their additional Covid spend.
- If there is any contribution of existing LA spend/budget to a pool, it should be net of assessed income

Guidance on Funding Discharge Arrangements

- The Government has allocated £1.3 billion to the NHS, via CCGs, to be used to enhance the discharge process and fund the cost of new or extended out of hospital health and social care packages.
- The funding will cover the follow-on care costs for adults in social care, or people who need additional support, when they are out of hospital and back in their homes, community settings, or care settings, and extra costs incurred in preventing people having to go or return into hospital (step-up costs).
- CCGs will coordinate local financial flows for NHS Covid-19 spend, including monitoring all local spend, coordinating local funding arrangements and working in partnership with local government to support them in their lead contracting role in the local system.

¹ <https://www.gov.uk/government/publications/coronavirus-covid-19-hospital-discharge-service-requirements>

- There will be a suspension of usual patient funding eligibility criteria while this process is in place.
- CCGs and LAs are expected to ensure that an appropriate market-rate is paid for this support, so that the local market can sustain a rapid and significant increase in supply, and recognising that standard financial assessment, self-funding and top-up arrangements are suspended during the emergency period.
- The new approach applies from 19 March 2020. Any people already receiving out of hospital care and support that started before this date, and which do not return to hospital or are at risk of returning, are expected to be funded through usual pre-existing mechanisms and sources of funding.
- Where an individual has been in receipt of social care prior to an admission to hospital and is then discharged during the emergency period, the care package “restart” costs are eligible to be recharged in full to the £1.3bn funding, or can continue to be funded from existing budgets. It is for LAs and CCGs to agree the local approach.
- As mentioned in the DHSC’s Adult Social Care Covid19 Action Plan, where the LA needs to source “alternative accommodation” where a care home refuses the admission of a person discharged from hospital, the full care package cost of this alternative can be met from the £1.3bn.
- Funding of care will continue in this way until the Government decides the emergency period is over. It is expected that there will be a reasonable period after that announcement to allow people to be reviewed and moved on to a standard assessed care package as appropriate.
- Where systems decide that an enhanced supply of out of hospital care and support services will be commissioned via the local authority, the guidance says that existing Section 75 agreements can be extended or amended to include these services and functions and the local authority should commission the health and social care activity on behalf of the system.
- Where a CCG is already acting as a lead commissioner for integrated health and care, partners can agree that existing Section 75 arrangements can be varied to allow them to commission social care services.
- The Better Care Exchange website² provides templates to assist with local amendments, variations or extensions to existing Section 75 arrangements.
- NHSE&I will reimburse CCGs through the monthly allocation process. CCGs should, from the commencement date, maintain a record of the costs and activity associated with the enhanced discharge process so that they can submit a claim for additional payment for this from NHSE&I using a centralised approach that will be separately communicated.
- The guidance also outlines that LAs should pool into this new “Covid pooled budget” their pre-planned spend on discharge with the £1.3bn funding being provided to CCGs for Covid-period discharges. Subsequent FAQ advice suggests this could be calculated as a simple 1/12th of the expected spend on discharges (along with any additional support to maintain individuals in their care setting or stepping-up to a care home)
- However, as LAs do not set or control their care and support budgets linked simply to “spend on discharge”, we do not recommend this as a meaningful way of achieving this. The key, therefore, again, is for local partners (LAs and CCGs) to agree their own accounting arrangements and in order to satisfy respective internal and external audit requirements in support of monthly expenditure reimbursement claims.

² <https://improvement.nhs.uk/resources/better-care-exchange/>

- To help with this, LAs may wish to focus their local arrangements with CCGs more on providing the detail required to support monthly cost reimbursement claims, and less on trying to pool their existing monthly “discharge budget”. With this in mind, the following cost areas or groups may be a more realistic way to structure those claims:-
 - a) Support provided at individual service user level (noting that where an existing local service user is discharged from hospital or needs an increase to the package to avoid admission to hospital, local authorities will continue to pay and therefore can ‘pool their existing package cost’. Costs will be recovered from the £1.3bn for the ‘all or additional cost of the package’ for these service users and full costs for any new patients being discharged)
 - b) Other block purchased resources developed to manage the Covid crisis
 - c) Any additional costs associated with increasing internal services relating to reablement, discharge support including staffing, to respond to the Covid crisis
 - d) All costs for new packages will be funded gross of the individual’s potential income as no financial assessments of new packages will be implemented until cessation of the revised discharge procedures.

Non-Discharge Funding to Local Authorities

- In March, the Government announced £1.6 billion funding to Local Government to cover Covid related expenditure. This funding is not ring-fenced. A further £1.6 billion was announced on 18 April for similar purposes. Again, this funding is not ring-fenced and is provided to meet a range of emergency expenditure measures, including support to vulnerable individuals in the community.
- There is no requirement or need to pool some or all of either of these pots, in the local “discharge spend” pool.

Some other relevant key issues

- NHS CHC full assessments of eligibility have been deferred until the point of a further Government announcement.
- Individual requests for a review of an eligibility decisions (i.e. Local Resolution and Independent Review) have also been deferred.
- Where social care has been provided free at the point of delivery for the emergency period, the expectations of individuals in receipt of funded care packages that may not continue to be funded after the Covid emergency period will need to be managed.
- There will be individuals who will return to usual funding arrangements, which will mean they may have to contribute or fully fund their care. Social care assessment teams will be responsible for undertaking those assessments.
- As the system exits the emergency arrangements, there will undoubtedly be some delays in assessment of part or fully-funded packages. During this period, local government may incur costs associated with discharge decisions made during the emergency period. In relation to those costs (i.e. ongoing costs for the period while individuals are assessed) councils’ costs may require reimbursements from the CCG.

Guidance states that CCGs will fund all discharge costs of new or extended out of hospital health and social care support packages following 19 March.

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