



Response from the CPA to the Government Response to the CMA's 'Care homes market study, final report'

The Care Provider Alliance (CPA) regrets that stronger action to put the independent care home sector on a sound financial footing was not signalled by the government in its response (5th March 2018) to the Competition and Markets Authority (CMA) care home report (November 2017). The CMA estimated for example that homes with 75% of their residents local authority (LA) funded (those most at risk of failure or exit because of a funding shortfall) that LA fees are currently, on average, as much as 10% below total cost for these homes, equivalent to around a £200 to £300 million shortfall in funding across the UK. The government's failure to address this specifically is shocking.

Whilst the official response from the Department of Health and Social Care (DHSC) says it expects LA fees paid to providers over the remainder of the spending review period to increase, it is relying on money already allocated and roundly evidenced by local government leaders and others as inadequate to meet the funding shortfall. It also does not even note that such rises should be enough to meet growing care costs to ensure high quality care for older people living in care homes.

We have a Care Act that can and does address many of the CMA original recommendations but there is no central commitment to ensure LAs follow the Act and that their commissioning of care is monitored and evidenced based - something the CMA wants to rectify with an independent body which the CPA supports. The government response of 'acceptance in principle' to this recommendation, with a view to further detail in a summer green paper, does not answer the urgent need to see care homes properly funded now. Without addressing current funding needs the green paper may come too late to help people whose care homes have closed or whose choice diminished through reducing care home capacity. We need politicians to take responsibility and meet this crisis head on.

We support greater transparency and better quality of information for people choosing and living in care homes. CPA has said it will work with the CMA and DHSC to look at model contract clauses. We do not believe an accreditation scheme – that will require a considerable administrative monitoring framework to make it work - is the answer. In addition, the fact that DHSC sees fit to focus only in detail on provider and not commissioner responsibilities seems to us an unbalanced approach to the whole system problems around ensuring a more sustainable care home sector.

Consumers though in the DHSC eyes appear only to need protection when self-funders and those funded through LA, and indeed CCG contracts are not to be afforded the same protections as self-funders. It cannot be right that people being cared for in care homes are placed under contracts that neither the CMA nor the DHSC are willing to ensure have contract clauses that match self-funder requirements.

In summary the government response to the CMA care home report lacks detail and pushes tackling the ongoing sustainability of the care home sector further into the future. This sector needs funding parity with the NHS - it employs more people than the NHS and cares for hundreds of thousands of people every day. Without the commitment to meet care home costs for this increasing frail and dependent care home population this ongoing care is put in danger, with service failure adversely impacting on the ability of the NHS to do its job.

Whilst we welcome the fact that the government would be happy to see the CMA look at homecare provision this must be backed by the belief that issues raised by any subsequent CMA report will actually be dealt with by government.

Care Provider Alliance
14th March 2018