Meeting the Critical Challenges Facing Care Homes’ Operators in 2016.

Timely monitoring of *Vital Signs* to ensure performance and risk management

by GEOFF LANE

“There are hundreds of care homes that will close because of the new national living wage, George Osborne is warned.” — The Telegraph August 2015

“The cost of the Living Wage would mean that we could see hundreds of care homes closing, leaving thousands of older people without a home.” — Chai Patel, Chairman of HC-One

There is no doubt that the Care Home industry faces a very challenging 12 months across the sector. The winners can reap the rewards of persistence with the right choices. Timely information is increasingly important and access to the *vital signs* of the business operation at the right time – showing activity in the current week – and the ability to make best use of that information will be key. This paper discusses what are those *vital signs*, how they are best collected and the key organisational factors.

My key messages are to concentrate on quality, focus managers at the coal face to take ownership of it and drive this from the chief executive’s desk – you can’t delegate culture. Make sure the information systems are getting you what you need promptly, and absolutely take a very hard view of head office costs and how effectively that supports your Care Home managers.
Introduction

For the last 30 years, care homes have stumbled from one financial crisis to another. Changes in regulations have been heaped on previous legislation and social care funding has become more constrained. Throughout that time, most recently as Chief Executive of a major care home group, I have seen it all, but this experience has given me an insight into the challenges faced by operators and what can be done to solve them.

As Chai Patel has highlighted, a huge challenge is coming this spring, with the looming increase of 6-8% for staffing costs and the increasing risk of local authorities rationing admissions. To succeed, care homes must be ready and have the necessary people and information strategies in place to meet the challenges ahead.

I will discuss how I believe care homes can respond to these challenges, putting in place the business processes and technology required to tackle both the financial pressures and the increased demands of the care regulator (Care Quality Commission – CQC in England). It is possible to reduce financial risk by better understanding issues in the business in good time so that timely decisions can be made, managers are effectively coached and supported and outcomes are assessed quickly.

Key challenges for Care Homes operators:

I would like to help you to address these issues:

1. How to place delivering high quality care as the number one objective for your business on the basis this is the single most important factor;
2. How do you measure quality of care effectively and manage risks? Get better information in good time, not just more data.
3. Ensure that information is timely, accurate and understood by everyone.
4. Do support functions really support front line services, or are they just heaping additional work on harassed Home Managers? What’s the cost of this?
5. How do you make sure action plans are actually being actioned? How do you know?
6. Are your information systems fit for purpose? Do they deliver quality of service data in a form that is easy to understand and use right when you need it?
7. How does your organisation learn from its mistakes? Is there a culture of continuous improvement in your business or do the same things keep happening?
8. How can you use your information systems to propagate best practice & consistently improve performance?

1. New Financial Pressures

The impact of the living wage will add 6-8% to staff costs for care homes from April 2016. Clearly, at a time when care homes’ operators are already under huge financial pressures, this could result in the closure of many businesses.

Quoted in The Telegraph; Chai Patel, chairman of HC-One which runs 225 care homes, said: “We have always supported the Living Wage and feel that it is a recognition of the wonderful work that carers are doing. Unfortunately, if the government does not fund it, it would not be affordable. Southern Cross was a failure of a single company and its capital structure. However, this time a sector-wide failure would result from an unfunded Government policy and an already struggling NHS would be left to pick up the pieces.”
A perfect storm you might say. At the same time, agency staff costs are reaching new peaks as a result of competition for resources while exposing care homes to further financial and operational risks. Some fundamentals need to change.

This isn’t the only financial issue care homes will see this year. The new inspection protocols introduced by the CQC have led to over 40% of inspections being given ratings of ‘Requires Improvement’ or ‘Inadequate’, compared to 85% of care/nursing homes being assessed as fully compliant under the previous inspection regime. More care homes designated ‘Requires Improvement’ or ‘Inadequate’ can mean more bans on admissions. A ban on admission, in a typical 40-bed care/nursing home will reduce income by £50-100k, depending on how long it take to get that ban lifted.

*To meet these new financial challenges, businesses must really focus on the quality of their services. High quality care frequently costs less to deliver than poor care because you have fewer staff vacancies, fewer inspections, higher occupancy and less fire-fighting.*

2. New Inspection Regimes

> “It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you’ll do things differently”
>  
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>  
>  Warren Buffett

The new inspection regime now being implemented by CQC is already causing new challenges for Care Homes’ operators. With more inspections yielding a ‘Requires Improvement’ or ‘Inadequate’ rating than ever before and, consequently, more bans on admissions. Quality and Compliance is more important than ever.

It is critical for all stakeholders to understand the full implications of a negative rating. All homes have to display their rating in the Home and on websites and brochures. Remember if you don’t get a Good rating it can take 12 months to get it changed - even after the issues have been addressed. This will not only affect future referrals and placements from private funders, but many local authorities will only place in homes that have a ‘Good’ or ‘Outstanding’ rating. A poor rating can also affect your ability to recruit in an increasingly competitive labour market.

**Leadership – the regulator’s approach**

To minimise the risk of a negative rating, it’s important to understand the CQC’s definition of ‘Well Led’. In a recent inspection report on a care home, under the category of ‘Well Led’ the CQC inspection team said:

> “There were systems in place to assess the quality of the service. However, when quality and safety issues were identified, the provider had failed to ensure necessary improvements were carried out.”

*The CQC is increasingly looking beyond the Home to see how the Registered Manager and their team are supported by the Executive or Owners.*

‘Well Led’ providers need to ensure that quality issues are high on the Board agenda and regularly reviewed by Directors in order to identify where issues lie and take action. To do this, Directors need to be ‘in-the-know’ with access to the right and up to date information to aid decision-making. This is where the technology can make a huge difference, allowing management to see where potential problems lie straightaway.

**What’s Culture got to do with it?**

Issues should be quickly identified and resolved at the Home level and not wait until they rise up the organisation where they become harder and more costly to fix. So the culture
needs to be one where every manager, and indeed the lowliest member of staff, doesn’t escalate problems by reflex, but fixes them proactively where they can.

The culture of the organisation is dictated by the people in charge of the business. If you want your people to own their performance, address issues quickly and effectively, place quality first and provide real leadership to their teams then you must set the example.

Certainly Directors have a high workload already, but the right information approach can reduce this and improve their ability to review current information and identify issues that need intervention and focus on these - demonstrating an effective Quality Management System – exactly what the CQC wants to see. If your information systems are fit for purpose then they should reduce the workload on the Directors and reduce regulatory risk.

3. Leaders – getting the right stuff

The CQC says: “For health and social care services to be able to ensure the quality and safety of the care they provide, they will need strong leadership and resilience. They will need to find ways to encourage innovation and creativity, while keeping the quality of care for people who use services at the centre of their work.”

In the most recent report on the state of healthcare and adult social care published in October, there were some interesting statistics: 82% of Primary Care services inspected achieved a ‘good’ rating. In adult social care, 64% of care homes achieved a ‘good’ rating but just 46% of nursing homes did as well. See link here.

What exactly is causing this disparity?

While caring scored highly (82% across the sector), CQC identified the following common issues:

- Difficulties in recruiting and retaining managers
- Lack of capabilities in some managers
- Poor engagement with staff and users
- Poor culture especially around knowledge sharing and promoting improvement
- A lack of systems to monitor the quality of care

Without doubt staffing and leadership are critical factors.

Picking the right leaders

A fundamental issue was found in teamwork and promoting a common culture. In my experience it is easier to create this in a care home than a nursing home. In care homes, staff often have a similar background and skill set and many managers started out on the floor. As a result, there is good teamwork and leadership at all levels with staff respected for their skills and experience.

In nursing homes, this is more difficult to achieve because there often appears to be a division between nursing staff and care staff. The underlying cause in my view is that nurses gained their experience and qualification in the NHS and, while the NHS does many things well, as the CQC has identified, after ‘Safety’, ‘Well Led’ is one of the weakest areas with only 41% of hospitals rated as good.

Getting the Organisation lined up

Good leadership can only be achieved through good recruitment and staffing policies. Both nursing home and care homes are, first and foremost, about people. You need to recruit a
manager who demonstrates great people skills, can build teams, lead, motivate and
develop people – and comes from a care background – then you have the making of a great
team in that Home.

What I strongly suggest is that you ensure the rest of the organisation really supports
these key front-line managers. Here are some key questions to ask:

- Do the business leaders regularly visit their Homes?
- Are senior Operations Managers – Regional Managers, Area Managers, etc. skilled
  at running Care Homes? Do they have good coaching and leadership skills? Are
  they spending most of their time helping their teams or just driving around?
- Do you have a Compliance Team? What is it responsible for? How does its work
  really help Home Managers? Does it create more problems for Home Managers
  than they fix?
- What information do you ask your Home Managers to provide on a daily, weekly
  or monthly basis? How much of it is necessary? What do you do with it?

In asking these questions I think that many Care businesses will find that their support
functions are adding little value to improving the quality of front line services. In a world
where money is tight there are real savings to be made here.

4. Monitoring the Vital Signs

A major challenge to the care home sector is getting the management team, staff,
processes and culture aligned. Achieving that is no small matter and the biggest challenge
is assessing whether these things are being consistently applied to improve performance.

I suggest you define a set of ‘Vital Signs’ for the business - to be reviewed by the board
and senior management at least weekly. Maintaining this ‘business pulse’ is dependent
on having accurate, timely data. And it is here that manual systems, paper systems or
spreadsheets will fail because they cannot be made sufficiently responsive.

Monitoring Risk
My view of this is as a hierarchy of risk rather than just a dashboard. At the apex are
those incidents that need to be promptly notified to Safeguarding, require a statutory
notification to CQC or result in major quality issues or complaints.

At the bottom of the pyramid you will have things like:

- Low grade pressure sores
- Weight loss
- Low grade infections
- Falls
- Behavioural incidents

These and others you can think of are all key indicators that care standards may be
inadequate and indicate cause for concern. If a manager had very low scores in these areas
you can grade them low risk but higher scores would require specific and visible action
plans to address these.

Additionally, you will want to assess people indicators for financial and other risks. For
example, I would be looking at key indicators such as adverse trends of agency use or
sickness days plus lateness combined with staff turnover as well as metrics of care hours
delivered against assessed need and finally training compliance. All of these indicators
give early warning that there may be some serious management or morale issues in your
homes.
Keep it simple. Focusing firstly on the vital signs and making sure that any data input required from your Care Home managers is limited to no more than a few minutes. No excuses. A last thing before they go home activity that can be entered via any mobile device including their smart phones and that you can monitor on your preferred device.

5. Knowledge Is Power

Without the right information at the right time there is no knowledge, only hindsight. Think about your vital signs – is your pulse rate a month ago of any value now?

However good leadership is, it cannot take the right decisions without accurate and timely information. From information comes knowledge and the Board needs to have the wisdom and fortitude to act on it.

In fact, the CQC commented on this important area:

‘To innovate and transform care effectively, it is vital to have the feedback mechanisms to know whether or not changes have been successful. Every provider should have good, benchmarked data for all the services it provides to assure itself that it is providing safe and effective care and to know where improvements are needed.’

Many operators are ignoring the cost of poor quality, because it is not being efficiently measured or quantified. Effective information gathering is essential to help the business work more effectively – and give a common view of what is going well and what is not. It can also assist in the transfer of knowledge and expertise from high performing teams to those who are struggling.

In my experience, as an industry, we have had many cases where tools have made the work carers have to do more difficult, instead of easier. Electronic care planning systems are just one example. Many systems take staff away from their core tasks and as a result updates are left until later in the day. As a result information is inaccurate – relying on remembering what happened earlier in the day and it is not near real time. If it’s hard to update, then it won’t get used.

Effective Systems

In my most recent turnaround, what we identified as needed was a system that is:

- Easily implemented, but flexible enough to adapt;
- Allowed us to enhance what we were already doing, rather than forcing change to fit the system;
- Would bring discipline and structure to reviewing quality;
- Enabled the sharing of best practice;
- Gave senior management a common view of safety and quality across all operations.

A quality management system that delivers an all-in-one and scalable solution can address all of the challenges outlined here, giving directors and managers of care homes a real opportunity to move quality to the centre of all their operations and reduce financial and compliance risks.

With help of one such system that I purchased and implemented at the end of 2014, all the care homes in my group were fully compliant, retained their reputation and were consistently delivering on quality. My role as interim CEO was complete: the business had been transformed and was sold in April 2015.
For me, IPROS CUBE’s Assured Compliance solution ticks all the boxes and while I believe it has unique benefits, you will of course want to review your alternatives.

Good luck and keep your hand on the wheel and eyes on the instruments. Just make sure the instruments are telling you what’s happening now and not a couple of months back!

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February 2016

About Geoff Lane

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About IPROS CUBE

IPROS CUBE provides software solutions that enhance business performance. Ensuring a consistent level of care quality and more control and visibility over regulatory risk. Better planning, performance and outcomes. Lower costs of compliance, reduced travel and administration costs.

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