



**Continuing NHS Health Care and Funded Nursing Care  
Finance and Performance Committee, 29 April 2025**

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- **Background to continuing NHS healthcare and funded nursing care**
  - **Some recent volume and cost information**
  - **The current year and the future outlook**
  - **Potential areas for developments**

## Please Note:

### Mental Health and Learning Disability Continuing Health Care

- The previous Sustainable Resources Committee has undertaken a “deep dive” into Mental Health and Learning Disability Continuing Health Care previously
- This Deep Dive therefore focusses mainly on general Continuing Health Care and Complex Care Continuing Health Care

## What is Continuing NHS Healthcare (CHC)?

- CHC is a package of care arranged and paid for by the NHS if the individual is assessed as having a primary health need
- Provided in a range of settings, the majority are funded in either a nursing home or in the community with domiciliary support
- Eligibility Criteria – must have complex, intense or unpredictable health needs and is not based on diagnosis
- Assessed using complex need assessment (“Decision Support Tool”) - using a “domain” approach
- Multiple criteria assessed to build up a picture of the individual and their needs
- Not means-tested and is demand-led
- Health Board commissions the majority of CHC within local nursing homes – but also (depending on need) from outside the Health Board’s geographic area

## What is Funded Nursing Care (FNC)?

- FNC refers to the NHS funding of Registered Nursing care within a nursing home
- Paid at a flat rate to reimburse the home for costs of nursing care and continence products
- Rate is agreed at an All-Wales level, uplifted annually based on NHS nurse pay award and CPI

# Sustainability of Sector

- The aging population means there will be an increasing demand for care and support
- The complexity of needs will continue to grow as the number of people living with dementia and co-morbidities increases
- Care Home Providers have expressed concerns regarding the cost-of-living crisis
- Recruitment and retention of staff is a challenge for the sector
- Since 2022, there has been 3 home closures and 1 home de-registered nursing (147 nursing/residential beds lost)
- The Health Board and Local Authorities are exploring alternative options of nursing care for the future

# Nursing Homes within the Hywel Dda area

- Currently 21 Nursing Homes (1063 beds) providing nursing and residential care
- 4 Specialist Nursing Homes
- Currently commissioning 977 individuals in Nursing Homes - 594 CHC, 297 FNC & 86 Section 117

Carmarthenshire		Pembrokeshire		Ceredigion	
Blaenos	38	Meadows	59	Plas Cwmcynfelin	53
Allt Y Mynydd	44	Fairfield	43	Brondesbury Lodge	32
Hafan y Coed	107	Ashdale	43		
Plas y Dderwen	69	Belmont Court	29		
Affalon	46	Brooklands	40		
Parc Wern	59	Park House Cou	97		
Cartreff Annwyl Fan	70	Parc y Llyn	50		
Glasfryn	24	Rickeston Mill	28		
Ty Mair	74	Williamston	34		
		Woodfield	24		

# Age Range of Nursing Residents



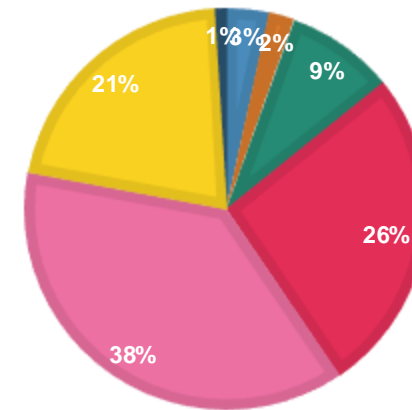
GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

- 64% of residents are aged between 70 – 89, 21% are aged over 90, with 1% aged 100+
- Adults with complex mental health issues are living into old age presenting with significant challenges
- Demands continue for High-Cost placements at a high cost

## AGE RANGE OF NURSING HOME RESIDENTS

■ Under 55 ■ 55-59 ■ 60-69 ■ 70-79 ■ 80-89 ■ 90-99 ■ 100+



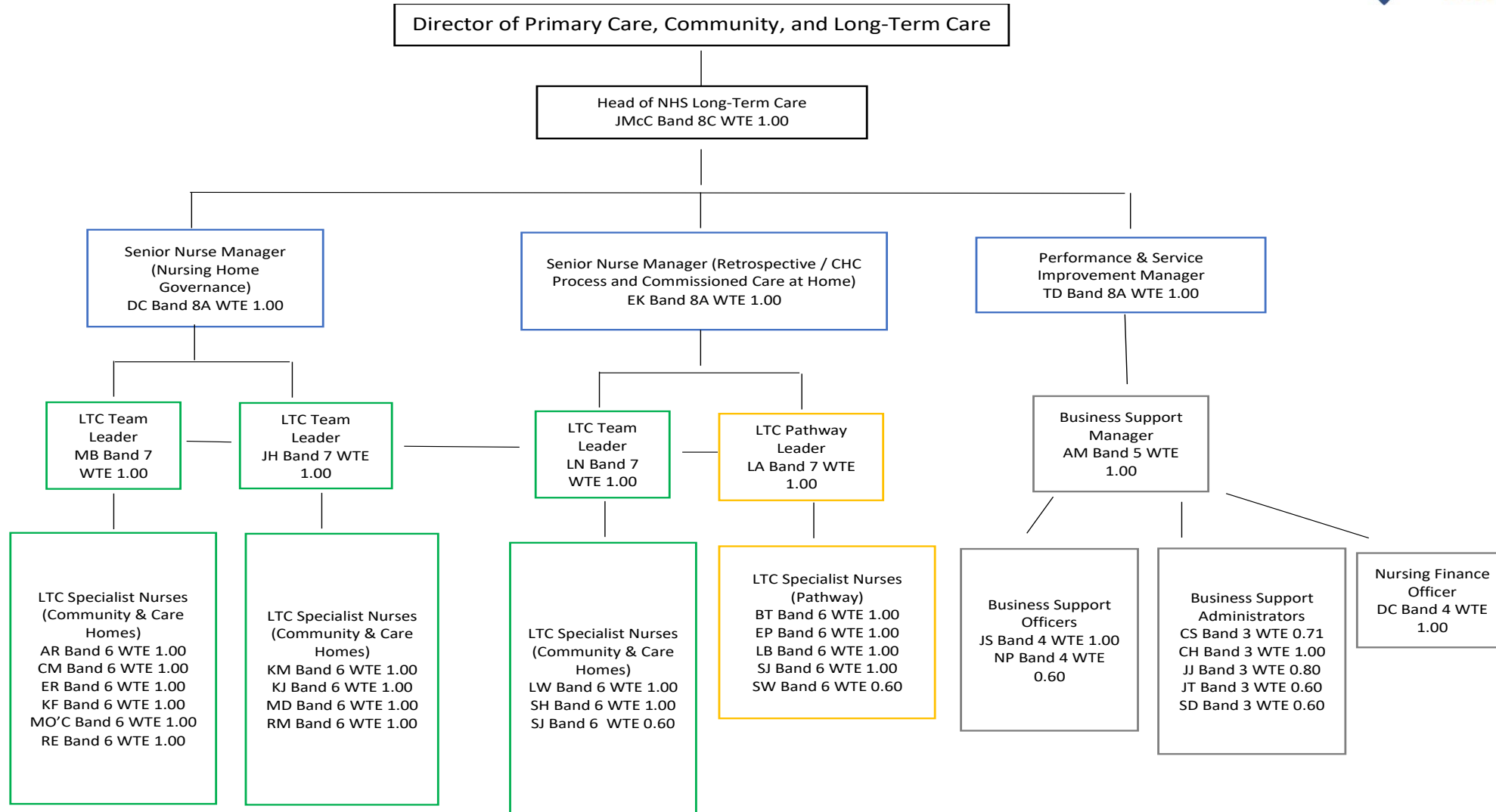
Projected increase in the number of people with severe dementia over the next decade\*

	2020	2025	2030	Increase (number)	Increase (%)
Carmarthenshire	1,912	2,306	2,697	785	41.1%
Ceredigion	789	942	1,076	287	36.5%
Pembrokeshire	1,407	1,720	2,030	622	44.2%
West Wales	4,107	4,968	5,802	1,695	41.3%

Source: Social Care Wales Population Projection Platform, Daffodil Cymru

\*This will include a small number of younger people with dementia

# Team Structure – Long Term Care



*N.B. Each LTCSN also has a Link-Worker responsibility to our Commissioned Nursing Homes.*

# Assessment and Governance



- MDT undertake assessment and make decision
- Assessment is quality-assured



- Approval for commissioning secured
- Most appropriate provider selected, cost of package agreed etc



- Regular review undertaken by Long Term Care Team – ensures individual still meets criteria for CHC and the care meets assessed needs



- Quality monitoring undertaken every three months – visits to placements, discussion with providers etc

# Costs and Volumes of Packages – How we compare across Wales

- NHS Wales Executive (Financial Planning and Delivery) undertook two All-Wales benchmarking exercises in 2019/20 and 2020/21
- Tables and charts on following pages are from their summary outputs from the exercise
- Hywel Dda University Health Board (HDdUHB) viewed as being in top quartile for cost and activity performance
  - low average cost of a package of care
  - low cost per head of population
  - average patient numbers relatively low
- **However, there are a number of issues with the benchmarking previously undertaken with NHS Wales Executive Financial Planning and Delivery (FP&D)**
  - Is now three years old
  - Concerns over some aspects of the data and calculations – such as no allowance for relative demography
  - Average costs not reliable as a measure of cost efficiency, given significant range of costs based on individual patient characteristics, acuity, etc.
- Nevertheless, is the only currently available source of comparative data

# Costs and Volumes of Packages – how we compare across Wales

## Work with Powys Teaching Health Board (PTHB)

- Colleagues in PTHB have approached HDdUHB with a view to learning from our management and cost performance
- By having significantly more service input, aim to provide more reliable and robust cost and activity comparisons
- Developing a more in-depth approach to benchmarking to reflect management and oversight arrangements, staffing, decision making, governance, etc.
- Viewed as a testbed for refining and improving methodology before rolling out across rest of Wales

# Costs and Volumes of Packages – how we compare across Wales

Patient Cost	Cost by Health Board (£'000)						All-Wales Total Cost & Mean Metric
	AB	BC	CV	HD	POW	SB	
COST	£ 99,045	£ 116,424	£ 71,262	£ 52,239	£ 17,083	£ 67,247	£ 423,300
POPULATION	598,194	703,361	504,497	389,719	133,030	390,949	2,719,750
AVERAGE PATIENT NUMBERS	1,889	2,481	1,770	1,231	437	1,451	1,543
COST PER 100,000 POPULATION	£ 16,557	£ 16,552	£ 14,125	£ 13,404	£ 12,842	£ 17,201	£ 15,564
COST PER HEAD OF POPULATION	£ 0.17	£ 0.17	£ 0.14	£ 0.13	£ 0.13	£ 0.17	£ 0.16
MEAN COST PER PATIENT	£ 52	£ 47	£ 40	£ 42	£ 39	£ 46	£ 46

National LQ	National Median	National UQ	National Quartile			
			1	2	3	4
£ 13,264	£ 15,339	£ 16,718				
£ 0.13	£ 0.15	£ 0.17				
£ 40	£ 44	£ 48				

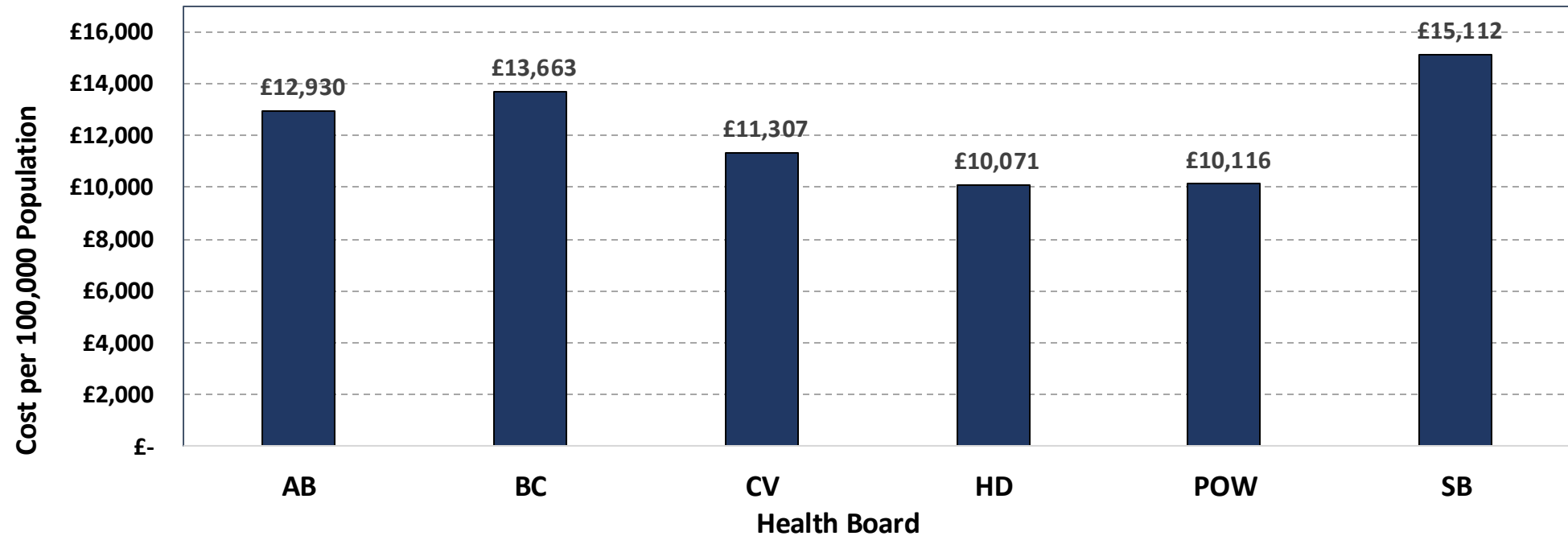
Patient Cost	Outsourced Expenditure per 100,000 Population (£'000)						All-Wales Total Cost & Mean Metric
	AB	BC	CV	HD	POW	SB	
COST	£ 77,346	£ 96,101	£ 57,045	£ 39,248	£ 13,458	£ 59,081	£ 342,278
COST PER 100,000 POPULATION	£ 12,930	£ 13,663	£ 11,307	£ 10,071	£ 10,116	£ 15,112	£ 12,585
COST PER HEAD OF POPULATION	£ 0.13	£ 0.14	£ 0.11	£ 0.10	£ 0.10	£ 0.15	£ 0.13
MEAN COST PER PATIENT	£ 41	£ 39	£ 32	£ 32	£ 31	£ 41	£ 37

National LQ	National Median	National UQ	National Quartile			
			1	2	3	4
£ 10,105	£ 12,119	£ 14,025				
£ 0	£ 0	£ 0				
£ 32	£ 35	£ 41				

Overall picture from the benchmarking is that we spend a relatively low amount on CHC – at both individual patient level but also at the population level

# Costs and Volumes of Packages – how we compare across Wales

**Figure 2. Total Expenditure per 100,000 Population (£000's):  
CHC Expenditure Less Central Functions Expenditure**



# Costs and Volumes of Packages – how we compare across Wales

Patient Cost		Patient Numbers per 100,000 Population					All-Wales Mean	
		AB	BC	CV	HD	POW		SB
Complex Care	AVERAGE PATIENT NUMBER	365	641	347	220	84	302	326
	PER 100,000 POPULATION	61	91	69	56	63	77	70
EMI	AVERAGE PATIENT NUMBER	282	420	50	198	67	99	186
	PER 100,000 POPULATION	47	60	10	51	50	25	40
FNC	AVERAGE PATIENT NUMBER	847	907	928	295	198	703	646
	PER 100,000 POPULATION	142	129	184	76	149	180	143
Total	AVERAGE PATIENT NUMBER	1,494	1,968	1,325	713	349	1,104	1,159
	PER 100,000 POPULATION	250	280	263	183	262	282	253

National I LQ	National Median	National UQ	National Quartile			
			1	2	3	4
60	66	81	█			
21	49	53			█	
116	145	181	█			

Patient Cost		Expenditure per Individual Package (£'000)					All-Wales Total Cost & Mean Metric
		AB	BC	CV	HD	POW	

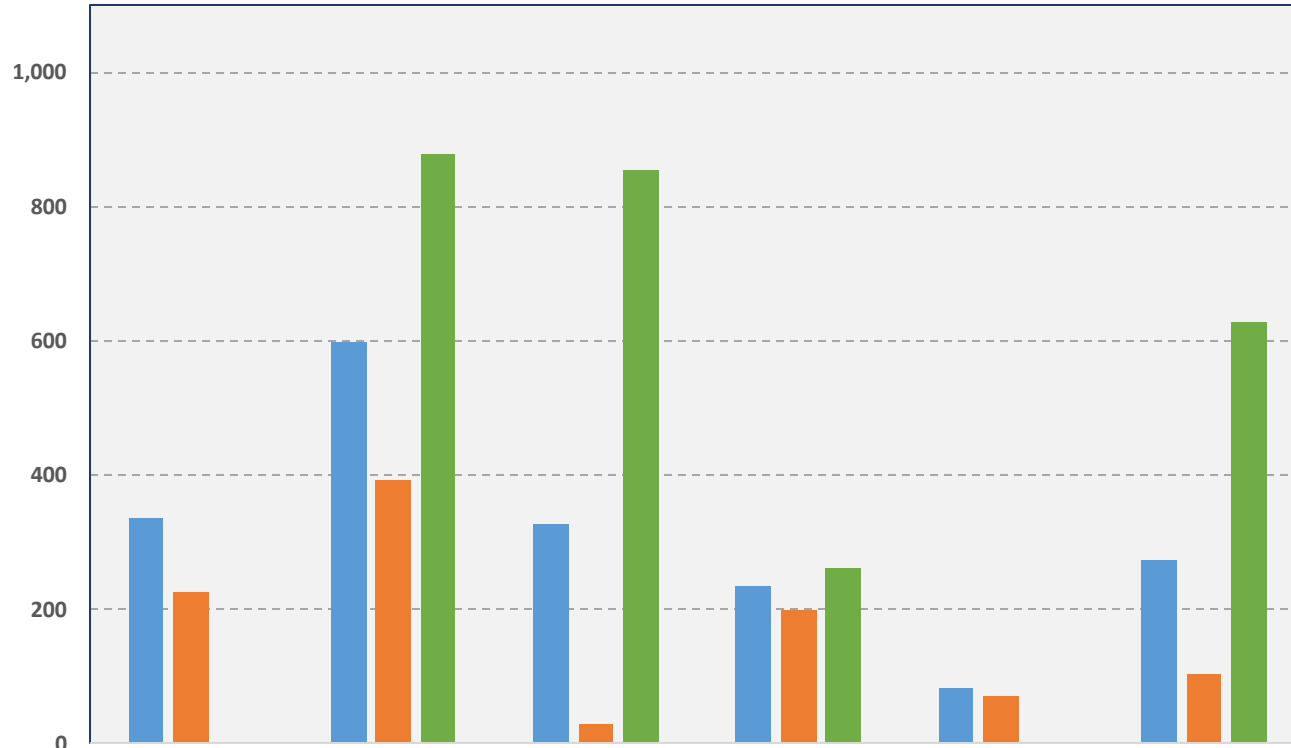
National LQ	National Median	National UQ	National Quartile			
			1	2	3	4

Total	COST	£ 95,391	£ 113,251	£ 69,336	£ 46,589	£ 16,035	£ 63,445	£ 404,048
	TOTAL PACKAGES	980	2,388	1,665	1,271	245	1,366	1,319
	COST PER PACKAGE	£ 97	£ 47	£ 42	£ 37	£ 65	£ 46	£ 51
	PACKAGE COST PER 100,000 POPULATION	16.27	6.74	8.25	9.41	49.20	11.88	17
	COST AT ALL-WALES MEAN	£ 50,027	£ 121,903	£ 84,996	£ 64,882	£ 12,507	£ 69,732	£ 404,048
	REVISED PACKAGE COST PER 100,000 POPULATION	£ 9	£ 7	£ 10	£ 13	£ 38	£ 13	£ 15

£ 40	£ 47	£ 73	█			
£ 8	£ 11	£ 25		█		
£ 8	£ 12	£ 19			█	

# Costs and Volumes of Packages – how we compare across Wales

Figure 14. Total Individual Packages

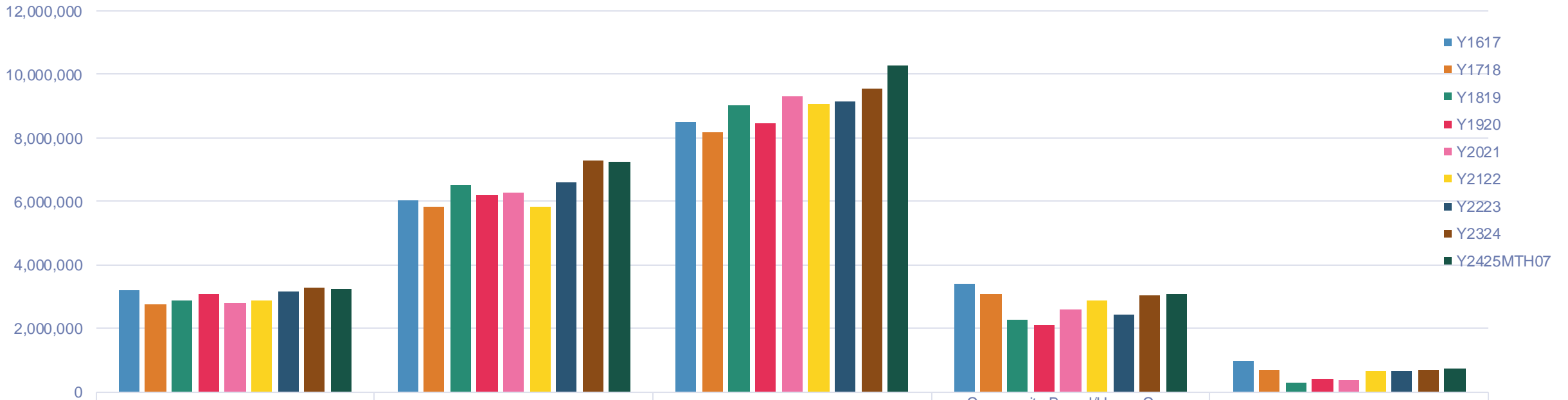


Note that the cost and volume of individual packages contains data that is of questionable value

Nevertheless, it is used to inform some of the All-Wales comparisons used by WG and FP&D and is currently being reviewed and revised by PTHB and HDdUHB

■ Complex Care	337	598	327	235	84	272
■ EMI	226	392	30	199	71	103
■ FNC	0	878	856	262	0	628

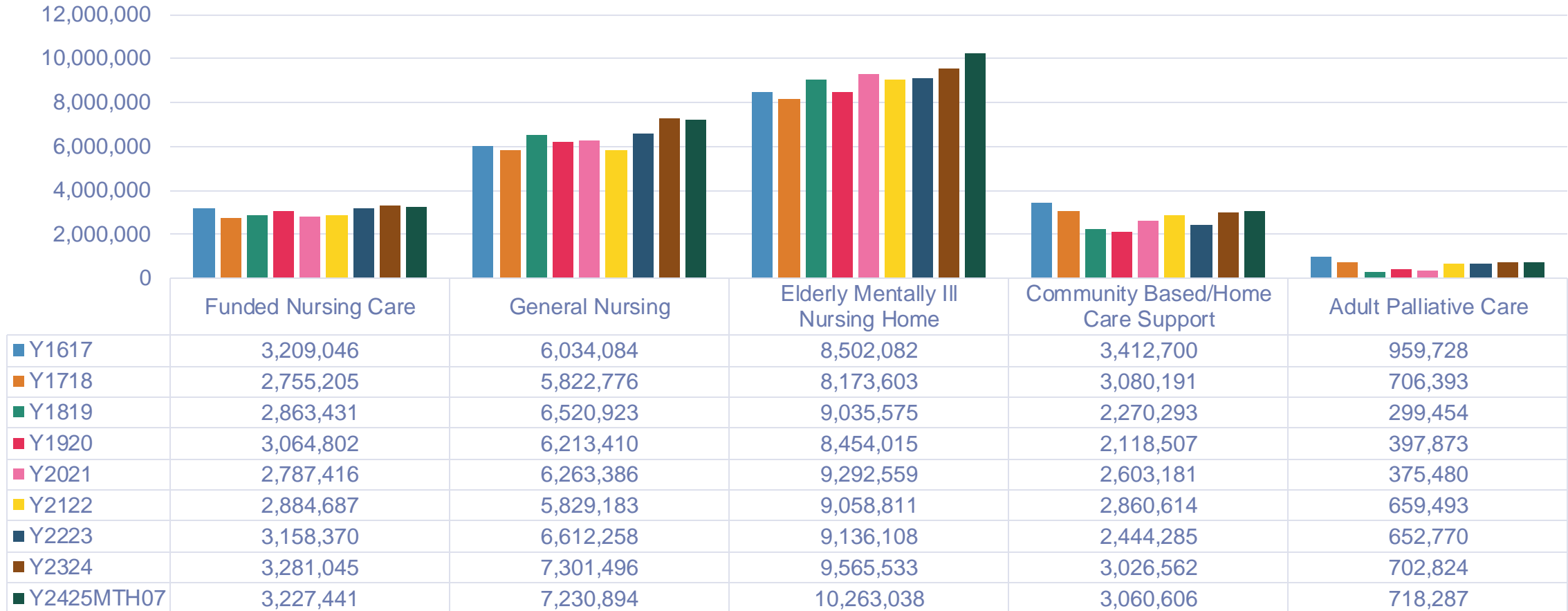
# Costs of Packages - Recent Trends



	Funded Nursing Care	General Nursing	Elderly Mentally Ill Nursing Home	Community Based/Home Care Support	Adult Palliative Care
■ Y1617	3,209,046	6,034,084	8,502,082	3,412,700	959,728
■ Y1718	2,755,205	5,822,776	8,173,603	3,080,191	706,393
■ Y1819	2,863,431	6,520,923	9,035,575	2,270,293	299,454
■ Y1920	3,064,802	6,213,410	8,454,015	2,118,507	397,873
■ Y2021	2,787,416	6,263,386	9,292,559	2,603,181	375,480
■ Y2122	2,884,687	5,829,183	9,058,811	2,860,614	659,493
■ Y2223	3,158,370	6,612,258	9,136,108	2,444,285	652,770
■ Y2324	3,281,045	7,301,496	9,565,533	3,026,562	702,824
■ Y2425MTH07	3,227,441	7,230,894	10,263,038	3,060,606	718,287

# Volume of Packages – Recent Trends

## CHC Active Packages by Criteria



# Costs and Volumes of Packages – Future Outlook

## *The short to medium-term outlook*

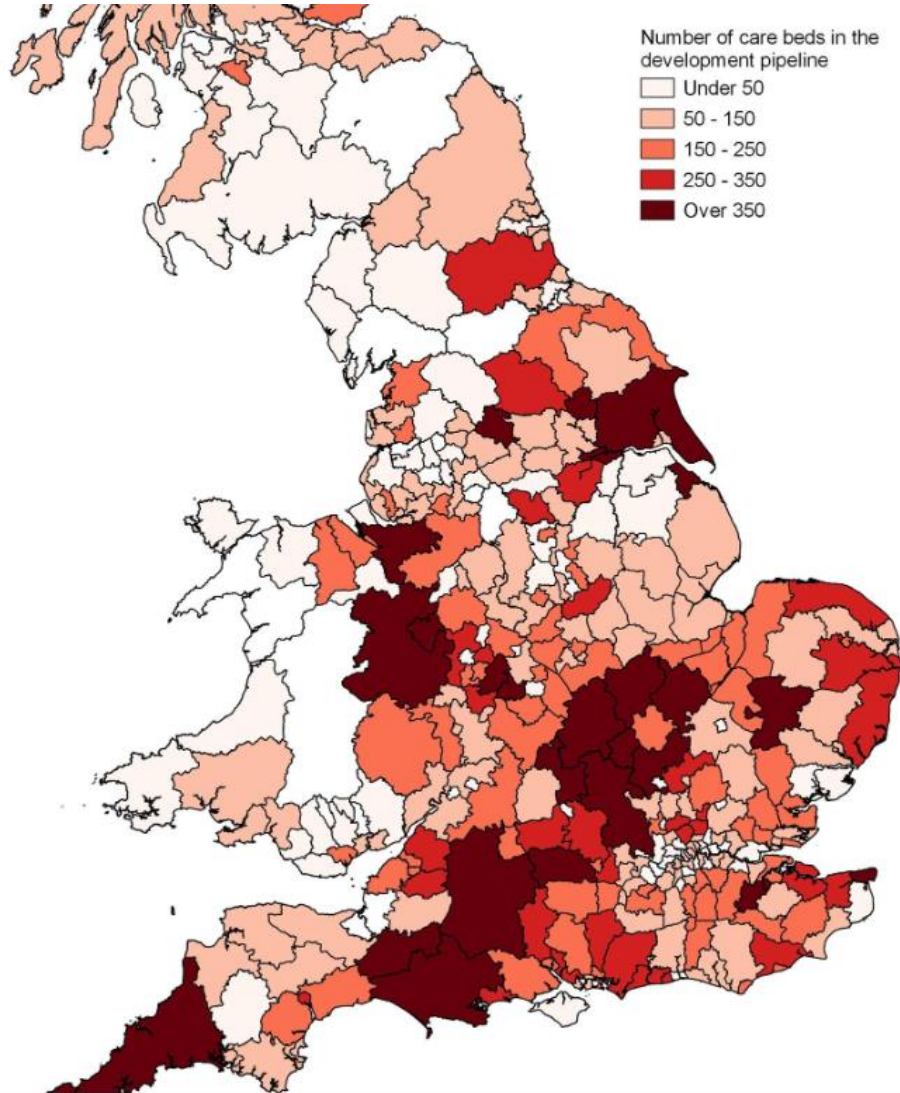
- **UK Government Budget and macroeconomic factors**
  - Impact of Employer NI – both threshold and rate
  - Impact of increase in National Living Wage
  - Impact of potential increase in Real Living Wage
  - Non-pay inflation
  - 2025/26 impact likely to be significant
    - around 7% - 8% cost pressure for providers
    - All-Wales group established to assess cost impacts for Health Boards
  
- **Well-rehearsed issues over recruitment, retention, oversight, etc.**

# Costs and Volumes of Packages – Future Outlook

## *The medium to long term outlook*

- **Aggregation and consolidation**
  - Owner-managers reducing, national groups / hedge fund-owned care groups now becoming dominant
  - Altered dynamic – more business-minded
- **Impact of demographic change, and advances in medical technology**
  - Anticipated increase of 3%-4% per year in demand for nursing care
- **Impact of shortfalls in local authority funding for social care**
  - overall sector sustainability
  - ability to invest, return on capital

# Costs and Volumes of Packages – Future Outlook



- Demand in HDdUHB inflated by number of retirees and over 85s
- Development of new nursing home capacity potentially constrained by low return on investment
- Debt markets – interest rates may fall in future years, potentially unlocking capital accessibility
- Impact felt at acute hospital level if insufficient nursing home capacity
- National Planning Policy frameworks seeking to address long-term shortfall
- But issue will be felt with increasing intensity over coming 5 – 10 years before new developments on stream

## Potential Areas for Development

- ***Enhanced coordination amongst Health Boards who use same providers***
  - Initially Powys, but also Swansea – then wider?
- ***Strategic commissioning***
  - Identifying current and projecting future demand, assessing current and future capacity needs, then working with Local Authorities, providers, etc. to address likely gaps
  - Developing the marketplace – or being prepared to enter it if there are gaps?
  - Mental Health and Learning Disabilities commissioned care also incorporated in the overall strategic picture
- ***Links with NHS Executive / Commission Collaborative***
  - Number of areas of development proposed, including potential investment in modernised data systems
  - Recent change in emphasis to a more joined-up approach eg on fee setting, collaborating
- ***Different approach to financial forecasting and management***
  - Statistical process control methodology
  - Reduced burden on finance teams on basic tasks, to concentrate instead on supporting service developments