

Payment by Results (PbR)

Development of future contract monitoring framework

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What is the Birmingham PbR?

- Currently providers are paid based on the total number of support hours (outputs) they deliver.
- (For example: If a provider has been contracted to deliver 10,000 hours but they only deliver 9,000 hours, they will only get paid 90% of the contract value)
- We are proposing a different contracting methodology to complement a PbR model of service delivery. This will mean shifting the focus from an output to an 'outcome' based system.
- The current hours based system is very difficult to manage in terms of the resources and time that this involves for providers and the SP team. (The hours based system doesn't require most of the proposed outcomes to be achieved or the numbers of clients supported)
- This means we want to focus and pay on the number of outcomes achieved per customer. Not just the number of hours delivered within each service.



Key principles for the local Birmingham PbR model

Through consultation there are a number of principles which providers and commissioners have highlighted as important features to this pilot:

- PbR outcomes should focus on the customer journey & based on customer experience.
- PbR outcomes to be linked into local and national strategic priorities, leading to positive social impact (*improved economic wellbeing, health, safety, preventing escalation of need*).
- PbR outcomes to contribute to the overall cost and personal benefit being achieved – a “whole systems approach”
- PbR model to be able to hold providers accountable for achieving outcomes
- Results structure has to be ‘SMART’ in it’s evidencing methodology
- The model needs to overcome potential “gaming” and ‘cherry picking’ issues



Proposed 90/10 model

90% = Activity based:

- The current arrangements for payment of hours based contracts involves intensive data inputting and analysis of each individual service's hourly claims every month so they can get paid.
- Proposal is that providers would automatically receive 90% of their contract value every month as long as they deliver 95% or above of their contract capacity.

10% = Outcomes based:

- Based on the proposed model, the remaining 10% will require organisations to work with, agree and achieve up to 5 outcomes with each service user.

2 Mandatory outcomes

- Achieving Independence
- Access to Health Services

3 Client specific outcomes

- The remaining three outcomes will be selected by service users from a prescribed list of outcomes linked to the whole systems approach (WSA).



Proposed key elements

There are 5 proposed key elements to the PbR model and proposed reporting requirements:

1. Utilisation - Monthly

- Number of FTE Staff (X)
 - Numbers of service users supported per month (Y) **High, Medium & Low needs**
 - $Y \div X = Z$ (average staff to service user ratio)
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2. KPI's (Key Performance Indicators) - Quarterly

- **KPI indicators** - *Achieving independence (merger of 2 current KPI'S)*
- **Birmingham Outcomes (WSA) basket of 20 indicators**



Proposed key elements

3. Quality Assurance - Annually

- **Birmingham Standard (QAF)** revised local version that includes service specific rather than just organisational elements
- **Will include:**
 1. **Key policies & procedures** - linked to QAF
 2. **Staff/management interviews** - streamlined to key areas of the 5 standards and client outcomes. (about the practice)
 3. **Safeguarding and Complaint logs** - serious incidents, staff & management, CRBs, training, induction & supervision records & service user files (for outcomes)
 4. **Organisational elements** - e.g. governance arrangements, financial viability

4. Service User Involvement - Annually

- **Peer review principles:** *train lay assessors (within provider organisations)*
 1. **Service user interviews (Lay assessor consultation)** – streamlined to key areas of service delivery
 2. **Spot checks**
 3. **Use of IT systems**
 4. **Mystery shopping**
 5. **Collaborative peer reviews/audits**



Proposed key elements

5. Outcomes - Annually

- Based on the proposed model the remaining 10% will require organisations to work with and agree up to 5 outcomes with each service user.
- Two of these will be mandatory and three will be selected by service users from an agreed prescribed list by providers
- These outcomes are to be achieved and evidenced on an annual basis.
- Outcomes to be recorded in performance workbooks that providers will be required to complete and return on a quarterly basis.
- Model will capture distance travelled for some client groups (Mental Health and Disabilities)



Proposed evidencing methodology

➤ **Based on 90/10 model**

➤ **90% payment based on:**

90% of their contract value every month as long as they deliver 95% or above of their contract capacity.

➤ **10% payment based on:**

% of 10% annual payment based on 80% of customers per service group to achieve positive outcomes:

➤ **Provider returns:**

- Outcomes = Results
- Outputs = No. of customers
- Inputs = No. of staff

Outcomes evidencing will consist of:

- **Provider** – records, workbooks, client files & questionnaires (also acceptances & rejections)
- **Supporting People validation** (Annual visit to each provider) Validate outcomes via client files, questionnaires & Birmingham Standard
- **Service User feedback:** independent questionnaire by service user (i.e. survey monkey) service user interviews)



Proposed payment methodology

Outcomes achieved	% of overall clients	% of 10%
4/5	80%	10%
3/5	80%	7.5%
2/5	80%	5%
NIL	80%	NIL

*For example:

- Annual contract value = £100,000
- Receive 90% of value monthly = £90,000

- Remaining 10% paid annually based on number of achieved outcomes

- 4/5 outcomes achieved = £10,000 paid
- 3/5 outcomes achieved = £7,500 paid
- 2/5 outcomes achieved = £5,000 paid
- 0/5 outcomes achieved = NIL payment



Example of evidencing system

- **Start** Sign up new client, do Support Plan and agree the aim of maintaining their accommodation and identify the changes needed to ensure that the accommodation is maintained and the obstacles to making those changes
- **Step 1** Agree a plan to ensure the tenancy is maintained
- **Step 2** Register for and comply with the requirements of appropriate welfare benefits
- **Step 3** Regularly meet with the Support Worker to ensure that the plan is being followed and is working
- **Step 4** Tenant is able to address tenancy issues without support

➤ **Outcome met** Will have maintained their accommodation have met addressed, or be actively addressing, any challenges and will not have breached their tenancy or licence agreement in previous three months.

➤ **Not met** Evicted or abandoned the tenancy and or not agreed a plan and or not observed welfare benefit requirements.



Questions...

