



Funding arrangements for bed and community care capacity in the hospice sector

13 December 2021 to March 2022

15 December 2021, Version 1

Background and summary of arrangements

In response to COVID-19 and winter pressures, a variation of the previous hospice grant agreement (April – July 2020 and November – March 2021) with amended terms and conditions, will provide up to £148 million grant funding to Care Quality Commission (CQC)-independent charitable hospices, NHS hospices and other palliative and end of life care providers in England for 13 December 2021 – March 2022, to secure and increase NHS capacity to enable hospital discharge.

To support the NHS to secure the maximum additional capacity for discharge from the hospice and palliative and end of life sector, the grant has been extended in eligibility and is available to all hospices (including NHS hospices) and community providers via ICS or CCG to purchase available capacity not currently commissioned, or funded, via the NHS.

There is no funding available via this grant beyond 31 March 2022.

These arrangements consider business as usual levels of funding received from clinical commissioning groups (CCGs), which CCGs are expected to continue.

For clarity, as with the previous grant agreement, CCGs should honour existing agreements and continue to pay any funding agreed with hospices and other palliative and end of life care providers. This includes business as usual agreements as well as any local agreements for COVID-19, both of which will continue to be funded from funding streams already agreed.

The grant purchases capacity from independent charitable hospices, NHS hospices and other palliative and end of life care providers to enable additional hospital discharge and reduce avoidable emergency admissions, as part of the pandemic response. The intention is for providers to use existing hospice staffing, facilities and the same clinical model to provide care and support discharge.

A payment of up to £37 million per month will secure hospice utilised capacity based on an individually calculated allocation for additional utilised capacity, with hospices expected to provide up to 4,800 bed days and up to 49,940 community contacts, plus the development of a single point of access and 24/7 specialist advice per day. We expect that those benefitting from this grant will typically be people being discharged from secondary care, eg non-COVID-19 symptomatic patients whose clinical needs could be met in a hospice, or those needing additional community support due to a deterioration of their condition or destabilisation of their current care arrangements.

Parties involved

The grant agreement is between NHS England and NHS Improvement and Hospice UK, which will make funding available to hospices in England, including children and young people's hospices and **other palliative and end of life care providers**. Due diligence and scrutiny procedures will be in place to ensure payment corresponds directly with services supplied.

Mechanism (grant)

The grant documentation will be applied as the mechanism for confirming the funding arrangements.

This arrangement does not comprise the purchase of services, allowing for clear funding processes outside the CCG COVID-19 funding streams.

The funding values are detailed in the grant agreement. Funding is inclusive of staff costs, equipment and other overheads, including any additional costs incurred for COVID-19 related absences or additional working hours.

Overview of monthly grant payments

The arrangement between NHS England and NHS Improvement and Hospice UK will start with immediate effect and finish at the end of March 2022, with the option to terminate early by mutual consent.

The monthly grant payments will be as follows:

- each paid a month in arrears

- Based on unit costs of £165 per bed and £5.50 per 20-minute community contact for capacity utilised
- Not linked to fundraising, with no associated clawback.

Unit prices have been modified in line with learning from previous grant funding. Community contacts have been defined as up to 20-minute contacts. In previous grants these have been largely undertaken virtually by telephone or internet visual connections, although not exclusively. As a result, the unit price has been reduced from £9 per contact to £5.50 per contact. The unit price of bed days has been reduced from £215 to £165 per bed per day based on financial returns submitted during the first grant and is concurrent with the second wave unit cost. This price also reflects that there is no link to fundraising and no clawback.

The new grant arrangement also has provision for NHS England to flex the activity targets for beds, 24/7 advice, single point of contact and community contacts where there is correlating under and overspend. For example, where a higher number of beds are utilised in one month, and there is underspend in community contacts, then this activity value may be paid against the additional bed activity. This arrangement will not exceed total contract value.

All providers must be registered with CQC to provide end of life care as their primary objective and have available capacity that is not currently commissioned or funded via the NHS. Additionally, providers are required to submit data onto the National Capacity Tracker daily, including weekends and bank holidays, with non-compliance affecting funding at the rate of 1/30th for each day missed. Capacity reported through the National Capacity Tracker will include capacity provided under local arrangements, so to adjust for this one third of total capacity submitted by independent charitable hospices will be deducted before allocations are applied, to avoid double counting. Daily entries should cover:

- hospice bed occupancy
- hospice at home bed occupancy (defined as bed-based home care delivered by a specialist multi-disciplinary team [MDT])
- community contacts (defined as care delivered in community by specialist MDT team or access to 24/7 specialist palliative care advice)
- 24/7 advice, coordination and care if required
- operational requirements including staff vaccination and COVID status.

All communications will be via NHS Mail to ensure security of the sensitive data – this is a condition of the grant. Hospices can get further information and register for NHS Mail via the following webpages: <https://www.digitalsocialcare.co.uk/contact-us/>.

Monthly open book financial return submissions to Hospice UK are required by 9am on the working day closest to the 15th of the month. This information will be used to inform national policy and strategy in support of future local commissioning intentions. Open book will also provide valuable data on cost base and assurance of equitable grant allocation.

Hospices or eligible providers that temporarily close due to COVID-19 infections amongst staff or inpatient unit will continue to be eligible for funding so long as they have notified NHS England and NHS Improvement of this closure as soon as it occurs.

What does this mean for Hospice UK?

Hospice UK will distribute funds to hospices within two working days of receipt from NHS England and NHS Improvement, according to the schedule provided by NHS England and NHS Improvement. In addition, Hospice UK will collect and collate open book financial returns from all hospices, forwarding these on a monthly basis to NHS England and NHS Improvement.

NHS England and NHS Improvement internal arrangements and governance will determine monthly the amount to be paid to Hospice UK and the allocations by hospice that Hospice UK will make from these funds.