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## **Schedule 2 – Finance and Payments**

**Care home services for older people and adults of working age whose primary support need is ageing-related**

**Long and short-term services**

November 2025



Table of Contents

<b>1. Introduction</b> .....	3
<b>2. Basis for fee-setting</b> .....	3
<b>3. Continuing Health Care and Joint Health and Social Care Funding</b> .....	4
<b>4. Short term placements</b> .....	4
<b>5. Payment Arrangements</b> .....	5
<b>6. Reviewing changes in service user needs and requests for fee uplifts</b> .....	5
<b>7. Private fee payers</b> .....	6
<b>8. 12-week Property Disregards</b> .....	6

## **1. Introduction**

- 1.1 This document sets out the finance and payment arrangements for Care Home Services for Older People commissioned under this Contract.
- 1.2 It includes administration and payment arrangements for placements made by and/or on behalf of Dorset Council and/or NHS Dorset, including:
  - Funded Nursing Care (FNC)
  - What happens if a Service User's needs change
  - Private funded placements

## **2. Basis for fee-setting**

- 2.1 The fee for each placement will be determined on an individual basis by agreement between the Purchaser and the Provider, with reference to the Council's cost and evidence-based Fee Structure for the relevant Service Category, and informed in equal measure by:
  - a) the Fair Price of Care (FPOC) in the relevant local authority area
  - b) benchmark assumptions about the number of Care Hours to be provided in the relevant Service Category [see Appendix 1 – Assumptions about care hours and service duration].
  - c) Dorset Council's current Base / Working Rate for the relevant Service Category as the starting point for fee rate negotiation for all Non-Framework purchasing in the Dorset Council area
  - d) the relevant local authority's published fee rates if the placement is to be made outside of the Dorset Council area
  - e) the person's personal budget for the required service
  - f) market forces
- 2.2 In accepting each individual placement made under this Agreement the Provider must provide care and support to meet the Service User's needs as described with reference to the Service Categories at Appendices A to C to Schedule 1 Service Specification, Appendix A.
- 2.3 The agreed fee rate will reflect the assumptions about the number of Care Hours to be provided for the relevant Service Category, as summarised at Appendix 1 to this Schedule 2.
- 2.4 Where the amount of care that the Service User requires has increased or decreased – a clear procedure will govern whether and to what extent a change to the current fee rate is required [please see Schedule 1, Appendix A, Clause 20 – Reviewing Service Users' Care and Support Needs].
- 2.5 The agreed fee rate for each placement made under this Contract will be payable for each whole 24-hour period Monday to Sunday.

### **3. Continuing Health Care and Joint Health and Social Care Funding**

3.1 Subject to eligibility.

- a) Continuing Health Care (CHC) funding will be provided by the relevant Integrated Care Board.
- b) Joint Health and Social Care Funding will be provided by the relevant Integrated Care Board and Dorset Council.

3.2 Service Providers should be aware that where a person becomes eligible to receive CHC funding, Funded Nursing Care will no longer be payable.

3.3 Clear criteria for CHC-funded and Joint-funded placements are outlined at Schedule 1, Appendix A Service Specification, Clause 9.

### **4. Short term placements**

4.1 This Contract relates to the provision of the following short-term services:

- Respite
- End of Life Care (EOLC) including, where applicable, CHC-funded Fast-Track EOLC<sup>1</sup>

4.2 The maximum length of stay and duration for payment of the agreed fee rate will depend on the type of service required. Please see Appendix A.

4.3 If following a review of the Service User's needs, it is confirmed that the person requires a long-term care home placement<sup>2</sup> and

- a) It is appropriate for the person to continue to reside in the care home that has previously provided their short-term placement, the Purchaser will agree with the Provider an appropriate fee rate for the person's long-term placement with reference to the relevant Service Category and considerations set out at Clause 2.1 above. The Purchaser will issue a new Agreement for Placement to reflect this change, which will apply from the date of the review of the Service User's needs, or
- b) If there is no suitable vacancy for a long-term placement within the home, a new placement will be brokered by the Commissioning Partner(s).

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<sup>1</sup> Please refer to Clauses 9.7 and 30.1(h) of Schedule 1 – Service Specification

<sup>2</sup> For example, where a Service User had previously required a short-term placement for EOLC, but the person's condition has improved such that they are no longer eligible for CHC Fast Track EOLC Funding, the placement will be re-commissioned as a long-term placement with relevant terms and conditions.

## **5. Payment Arrangements**

### **5.1 Payment of invoices**

5.1.1 Dorset Council will pay invoices for care delivered under spot contracts on a four-weekly basis after the end of the billing period and on receipt of correct and undisputed invoices received by the relevant deadline.

### **5.2 Funded Nursing Care (FNC)**

5.2.1 Where applicable, NHS Dorset ICB will pay to the Service Provider FNC (if applicable) monthly in arrears in the second week of each month via automated payment run. No invoices are required.

5.2.2 The value of FNC is determined by the Government on an annual basis with no guarantee of any increase.

5.2.3 The Service Provider should refer to Appendix E of Schedule 1 [Contact Details] if payment of FNC is delayed.

5.2.4 In such instances NHS Dorset ICB will remain responsible for payment of the FNC element of the placement cost under the contract but the Council's obligation to make payment of the remainder of the fee to the provider will cease.

### **5.3 Administration of payments**

5.3.1 Payments will be made by the Adults Invoicing Team for Dorset Council. Their email address is [adultsinvoicing@dorsetcouncil.gov.uk](mailto:adultsinvoicing@dorsetcouncil.gov.uk)

5.3.2 NHS Payments will be made by NHS Dorset ICB Integrated Care Board, County Hall, Colliton Park, Dorchester, Dorset DT1 1XJ email address is [chc.finance@nhsdorset.nhs.uk](mailto:chc.finance@nhsdorset.nhs.uk)

## **6. Reviewing changes in service user needs and requests for fee uplifts**

6.1 If, on admission to the home, it appears that the Service User's needs are not as described on the referral, the Service Provider should refer to the process outlined in the Service Specification Clause 20.

6.2 In other cases, where there is no evidenced change in needs of the individual, requests to uplift funded placement costs will not be accepted. Presentation of invoices, other than for the contracted rate for the commissioned Service, may result in a delay in payment of those invoices.

6.3 Where it has been established, however, that a Service User's needs have changed, the Purchaser will consider whether it is appropriate to vary the fee rate, with reference to the Service Category Model and the considerations set out at Clause 2.1 above. For the avoidance of doubt the Commissioning Partners do not commit to vary the agreed fee rate where this exceeds Dorset Council's published base rate.

## **7. Private fee payers**

- 7.1 When the Provider accepts a private fee payer into the care home, the Provider must ensure, and be able to provide evidence on request, that the person has sufficient finances to support themselves for at least two years from the commencement of the person's privately funded placement.
- 7.2 The Provider shall be able to demonstrate that every reasonable endeavour has been taken to achieve this, including the inclusion of a clause to this effect, in the Provider's contract with the private fee-paying person.
- 7.3 Where a private fee-payer's assets and/or income falls below the level required for public funding, the Council will not guarantee to fund the cost of the services. Instead, in accordance with Clause 10.1.1 of the Contract, the Council will carry out an assessment of need under the Care Act 2014, to identify the needs of the person.
- 7.4 The private fee payer will be required to continue paying the private fee rate to the Provider whilst the assessment is being conducted by the Council.
- 7.5 Where the outcome of the assessment concludes that the resident is eligible for public funding, the Council shall be responsible for retrospectively paying the Provider for the placement from the relevant date as determined by the Council at a rate to be agreed with the Provider with reference to the Service Category Model and considerations at Clause 2.1.
- 7.6 Where the outcome of the assessment concludes that the Service User is a self-funder and not eligible for public support, the Provider agrees to work with the Council to find suitable alternative accommodation at the earliest possible opportunity.

## **8. 12-week Property Disregards**

- 8.1 In determining the value of a person's contribution to the cost of meeting their eligible care and support needs under the Care Act 2014, the Council will disregard the value of a person's main home or only home when the value of their non-housing assets is below the upper capital limit for 12 weeks in the following circumstances:
  - 8.1.1 When the person first enters residential care as a permanent resident, whether or not the Council is assisting with the cost of the placement.
  - 8.1.2 When a property disregard other than the 12-week property disregard unexpectedly ends, i.e., because the qualifying relative has died or moved into a care home.
- 8.2 Where an individual has assets that, when realised, result in the individual no longer requiring public financial support, the Agreement for Placement, and therefore the Commissioning Partner/s liability to fund, will terminate with immediate effect on the date that the Service Provider is informed by written confirmation from the Commissioning Partner/s that the Service User's assets have been realised or a mutually agreed date around that time.

- 8.3 For example, where it becomes clear that an individual should have been self-funding their placement from a given date, the Service Provider will become responsible for billing the person privately from the first day after the end of the most recent invoice period paid by the Commissioning Partner/s.

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**Appendix A – Assumptions about care hours and service duration**

Code	Service Category	Admission Scenario(s)	Max Assumed Hours PPPW Direct Care	Max Assumed Hours PPPW Nursing
0	<i>Residential - low level needs</i>	A,B	23.6	N/A
1	<i>Residential - medium level needs</i>	C,D	25	N/A
2	<i>Residential - high level needs</i>	E,F	28.6	N/A
3	<b>Nursing</b>	J,K	26.8	7.9
4	<b>Nursing - advanced dementia and mental health needs</b>	L,M	27.8	7.9
5	<b>Advanced / Complex Nursing</b>	N,P	27.8	7.9