

Investing to Save:

Assessing the Cost-Effectiveness of Telecare

Summary Report

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TABLE OF CONTENTS

EXECUTIVE SUMMARY	3
1 INTRODUCTION.....	4
2 AIMS AND SCOPE OF THE STUDY.....	4
3 METHOD.....	4
4 RESULTS.....	5
4.1 Overall impact of telecare.....	5
4.2 Costs of telecare	6
4.3 Overall impact upon costs	6
4.4 Change in costs resulting from telecare in the whole sample.....	7
4.5 Impact upon costs in those for whom telecare was considered suitable	7
4.6 Estimate of total savings achievable.....	8
5 DISCUSSION.....	9
6 CONCLUSIONS.....	10
7 RECOMMENDATIONS.....	10
8 WORKING IN PARTNERSHIP	10

EXECUTIVE SUMMARY

This report¹ describes the findings of a collaborative project evaluating the potential cost savings arising from the use of telecare. The research involved FACE assessors and researchers at the British Psychological Society's Centre for Outcomes, Research and Effectiveness at University College London and was supported by an educational grant from Tunstall.

WHAT WAS DONE

1. Evaluation was made of the suitability of telecare for 50 clients for whom FACE Overview Assessments had been completed.
2. Where telecare appeared suitable, the social care costs of meeting the client's needs before and after provision of telecare were estimated using the FACE RAS.
3. The broader potential savings to social care resulting from telecare were estimated based on national data and data produced by the FACE RAS programme.
4. The study developed novel methods of estimating savings and evaluating the cost-effectiveness of telecare implementations.

KEY FINDINGS

- The results further confirmed previous studies showing that very substantial savings are achievable through the widespread targeted use of telecare.
- Potential savings lie in the range of £3m - £7.8m for a typical council, or 7.4%-19.4% of total older people's social care budget.

RECOMMENDATIONS

- Councils should actively promote the provision of telecare as a 'mainstream' activity rather than as an 'add-on'.
- Councils should make local estimates of savings realisable through telecare using methods similar to those developed in this study.
- Consideration of suitability of telecare should be a routine part of the social care assessment process.
- Councils should include standard methods of assessment and training in the applicability of telecare within their re-ablement and personalisation processes.
- Councils should consider the introduction of a routine outcomes monitoring system to ensure that savings are realised in the most cost-efficient manner.

¹ This is a shortened version of the full report on the project. The full version is available from FACE on request.

1 INTRODUCTION

The use of telecare and assistive technology throughout health and social settings can provide many benefits to those needing support and protection. However, whilst many local authorities across the UK now do consider telecare for clients as a key component to adult social care provision, there is limited evidence of the potential cost saving achievable through routine deployment. The emphasis remains strongly on either homecare provision, or the use of direct payments to employ a friend/relative to provide support.

From a council's perspective two types of evidence are required to shift the balance towards routine telecare provision. First, there is a need for formal evidence that telecare can in fact produce substantial savings. Secondly, there is a need for an evaluation methodology which can be used routinely to allow councils to build the business case for adoption of telecare based upon local demonstration of cost-effectiveness. The present study included the development of such a methodology.

The project involved personnel from FACE Recording & Measurement Systems Ltd. supported by researchers at the British Psychological Society's Centre for Outcomes, Research and Effectiveness at University College London.

FACE assessment tools are nationally-accredited by the Department of Health and used throughout the UK & Ireland by NHS, social care and independent sector organisations. Over 50% of councils in England use FACE assessments for community care assessment and the FACE RAS provides indicative budgets to over 20% of the population served by English councils.

2 AIMS AND SCOPE OF THE STUDY

The aims of this study were:

- To assess the suitability of telecare solutions for a random sample of social care clients
- To estimate the potential cost saving to be made
- To begin to identify 'target groups' or typical patterns of need for which telecare might result in significant savings
- To develop a methodology that will support routine evaluation and comparison of the cost-effectiveness of local telecare implementations

Social care clients are categorised into four care groups by most social care organisations. These are: Older People (OP), Physical Disability (PD), Learning Disability (LD) and Mental Health (MH). This initial study focused solely on the needs of the Older People care group living in their own home. Older people are one of the client groups that has typically been found to benefit most from telecare. However, other care groups and accommodation settings could be explored at a later date.

3 METHOD

This involved the following steps:

Step 1: Sample selection

50 FACE Overview Assessments of older people were identified that met the following criteria:

- They were fully scored
- They included a thorough free text description of the client's needs and situation
- The free text description was broadly consistent with the scores allocated

The first 50 assessments that met the criteria above were selected. Residential cases were not included as in such cases needs would normally be met by support staff rather than telecare.

Step 2: Scoring of needs

The Overview Assessment includes a range of scored measures of need/dependency. These scores are assigned *relative to the environment in which the client is living*. So, for example, a client who cannot climb stairs unaided will be scored as needing the support of one person to climb stairs if they do not have a chairlift installed. However, they will be rated as being able to climb stairs independently if a stairlift is installed (and they can use it unaided). This approach to scoring means that changes in the environment – such as the deployment of telecare or other equipment – may result in corresponding changes in scores on the assessment.

Step 3: Identification of suitability of telecare

FACE and Tunstall assessors reviewed the assessments. Tunstall assessors suggested appropriate telecare solutions. Where telecare was recommended, FACE assessors reviewed the assessment to ensure accuracy. Those data items that would be expected to change were telecare to be provided (for example, how long the client could be left alone safely for an extended period of time) were re-scored by FACE assessors based upon the assumption that telecare had been deployed.

Step 4: Estimating weekly support costs before and after deployment of telecare

An indicative budget was then calculated for each client 'before' and 'after' telecare deployment by passing the scores on each assessment through the FACE National RAS Model for Older People. This model is highly robust and known to generate very few outlier cases. The model used the following standard unit costs to drive the calculation:

- Home care day £13.58 per hour
- Residential care £421 per week
- Residential care (Dementia) £451 per week
- Home care night £13.77 per hour

Step 5: Estimation of total savings achievable by the deployment of telecare

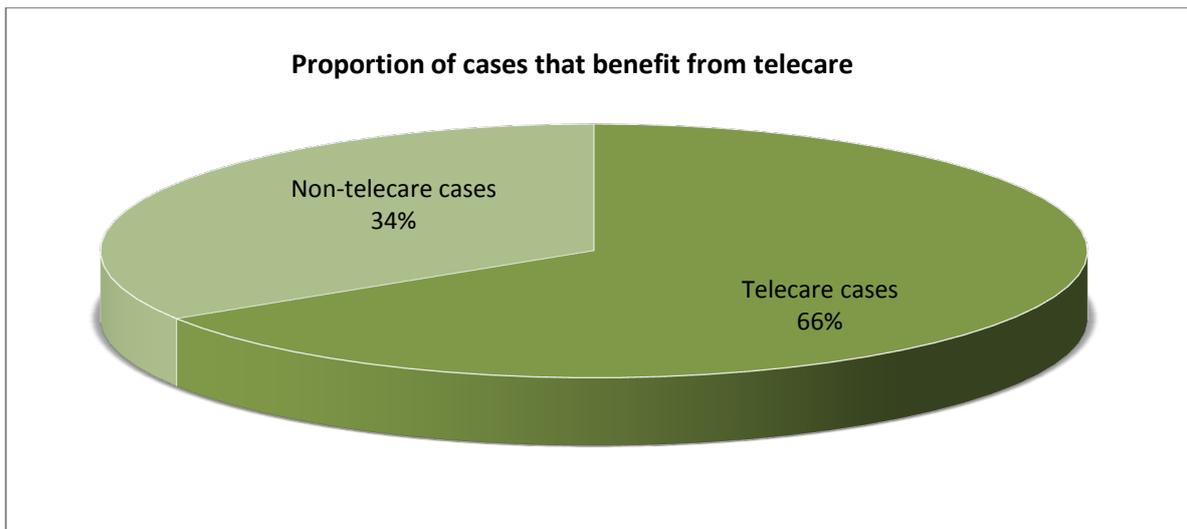
In order to calculate the possible total savings the study used the data from the study sample, national data and data supplied to the FACE RAS programme by councils.

4 RESULTS

Of the 50 cases 36 were female and 14 male. Most had more than one condition or disability.

4.1 Overall impact of telecare

33 cases were identified as potentially benefitting from telecare, 66% of the sample.



In the remaining 17 cases, there were two cases in which telecare was thought unsuitable and 15 cases where there were no clear benefits.

4.2 Costs of telecare

The weekly costs of telecare were calculated for each client using economic calculations provided by Tunstall. The costs are modest relative to the average weekly budget of clients in the study.

Overall cost impact of telecare (n=50)	
Average weekly cost of telecare where recommended	£6.25
Average weekly care package cost for sample (pre-telecare)	£167

4.3 Overall impact upon costs

The assessments were run through the FACE RAS calculator to produce indicative budgets for 'before telecare' and 'after telecare'. In calculating 'after telecare' costs two different support scenarios were considered:

- Short-term scenario.** In this scenario it was assumed that cases for whom residential provision might ultimately be required would not move straight from home to a residential setting but that in the first instance a social care package that replaced 50% of the support being provided by informal carers would be put in place. This is a more realistic assumption than assuming that clients would go straight from having no social care support into residential provision.
- Medium-term scenario.** This calculation assumed that residential provision would ultimately be provided for those cases where impact upon informal carers was 'Very severe'.

The table below shows the proportion of clients for whom costs would either increase or decrease as a result of deployment of telecare under each scenario.

Overall cost impact of telecare (n=50)				
	N=	%	Average change (short-term)	Average change £ (medium-term)
Cases which would result in cost saving to the council were telecare to be deployed.	18	36%	-£42.68	-£117.80
Cases which would result in increase in costs to the council were telecare to be deployed.	15	30%	+£4.70	+£5.64

The scale of cost reduction in the group where there were savings far outweighed the cost increase in the group for whom costs went up.

4.4 Change in costs resulting from telecare in the whole sample

Previous studies tend to have focused on the average savings for those who receive telecare, rather than the average savings within a whole sample. The latter gives a better indication of savings achievable in overall budget and so analysis was first undertaken on the full sample, prior to focusing just on those thought likely to benefit from telecare (see 4.6 below). The table below shows the average weekly cost of the full sample with and without telecare on both scenarios.

Average weekly support costs before and after telecare (n=50)					
	With telecare	No telecare (short-term)	% saving	No telecare (medium-term)	% saving
All cases	£166	£181	8.5%	£205	18.9%

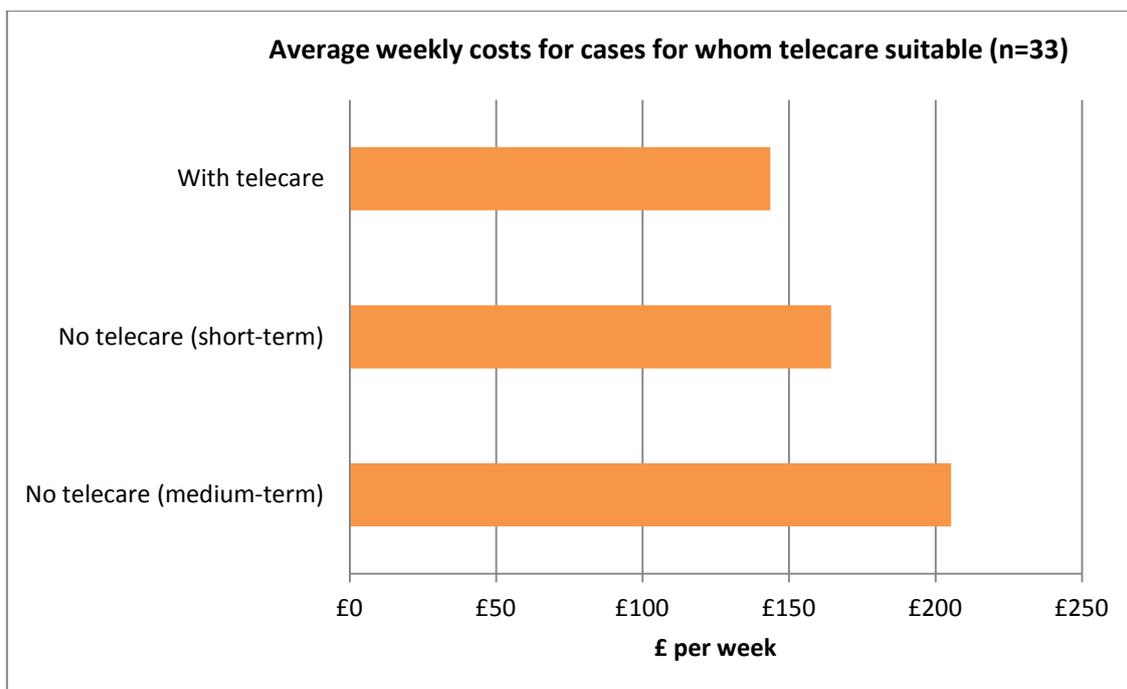
The overall saving of 18.9% on the medium-term scenario represents a very substantial potential saving on the overall older people's social care budget.

4.5 Impact upon costs in those for whom telecare was considered suitable

The analyses shown above were repeated on just those cases for whom telecare was considered suitable (table and chart below).

Average weekly costs for cases for whom telecare suitable (n=33)			
	With telecare	No telecare (short-term)	No telecare (medium-term)
All cases for whom telecare suitable	£143.6	£164.3	£205.3

The scale of savings increases sharply on the medium-term scenario, although savings are high under both scenarios.



The % savings for each support scenario are shown below. Medium-term savings are especially noteworthy but there are also substantial short-term savings.

Percentage savings for cases for whom telecare suitable		
Group	Short-term	Medium-term
All cases	12.6%	30%

4.6 Estimate of total savings achievable

In order to estimate total savings achievable by a 'typical' council serving a population of 250,000 people the figures below were used.

Basis for estimation of total savings achievable using telecare	
Average total number of older people in a council serving 250,000 people (based upon national figures of 15.4% of population over 65)	38,500
Average social care expenditure per older person in council area p.a. (based upon average of full expenditure data from 5 councils)	£105
Estimated older people's social care budget in council serving 250,000 people	£40.4m
Estimated 'typical' older people's social care budget spent on residential care @ 35%	£14.4m

Assuming that older people currently in residential provision would not be moved away from such provision then the total 'high needs' budget available for savings is £25.1m - £14.4m = £10.7m. The total savings potentially achievable are therefore shown in the table below.

Maximum savings achievable for typical council based upon study sample		
Group	Short-term	Medium-term
All	£3m	£7.83
% saving of total older people's social care budget ²	7.4%	19.4%

Treating the short-term and medium-term scenarios as minimum and maximum estimates, then potential savings lie in the range of £3m - £7.8m for a typical council, or 7.4%-19.4% of total current spend.

5 DISCUSSION

The study demonstrates that substantial savings are achievable through the use of telecare, in addition to the obvious quality of life benefits to clients and carers. However, as the York consortium point out 'even where financial savings can be identified, it may not always be possibleto realise these savings'. What then are the factors that will best enable councils to realise the savings?

First, staff training is critical. Frontline staff need to be made more aware of the specific benefits of different telecare solutions. This includes guidance on both which telecare solutions are appropriate to particular needs; and on the needs profiles of the types of clients who will typically benefit most from telecare.

Secondly, there needs to be a standard approach to assessment which can be used to trigger identification of needs for telecare and to monitor the impact of deployment at the individual level. Consideration of the suitability of telecare should be a routine part of the assessment process, both by care managers and during re-ablement. This requires both investment in staff training and modification of assessment tools to ensure that the relevant questions and guidance are included.

Thirdly, there is a need for an outcomes monitoring system that can be used routinely to check that savings are being made and to identify areas where performance is poorer than expected. The ability to compare outcomes locally is useful but would be greatly enhanced by the ability to make comparisons with the performance of other councils on a national basis. The reality is that at present both the availability of telecare and the outcomes of telecare implementations are somewhat of a post code lottery. The introduction of a standard approach to outcomes measurement would introduce greater equity as well as drive improvements in performance.

In sum, the provision of telecare needs to be perceived as a mainstream activity, not an add-on. Telecare is about giving clients greater control of their lives and enabling them to make the choices they wish to make. It is therefore highly concordant with the aims of both re-ablement and personalisation. Consideration of the potential benefits of telecare therefore needs to become an integral part of re-ablement and personalisation practice, and not perceived as a separate initiative.

² Disregarding client contributions which depend upon the council's charging policies.

6 CONCLUSIONS

- The study confirms previous studies suggesting that widespread deployment of telecare can achieve significant financial savings in the provision of social care to older people.
- The scale of savings achievable in the event of full-scale implementation is likely to be in the range of 7-20% of total budget.
- Consideration of suitability of telecare should be a routine part of the assessment process.
- The use of standard assessments and the methods developed provide the basis for a routine system of outcomes monitoring for councils wishing to maximise savings through telecare.

7 RECOMMENDATIONS

- Councils should actively promote the provision of telecare as a 'mainstream' activity.
- Councils should make local estimates of savings realisable through telecare.
- Councils should include standard methods of assessment and training in the applicability of telecare within their re-ablement and personalisation processes.
- Councils should consider the introduction of a routine outcomes monitoring system to ensure that savings are realised in the most cost-efficient manner.

8 WORKING IN PARTNERSHIP

The project was supported by an educational grant from Tunstall. Tunstall is the world's leading supplier of telehealthcare solutions, operating in more than 30 countries and supporting 2.5 million people around the world.