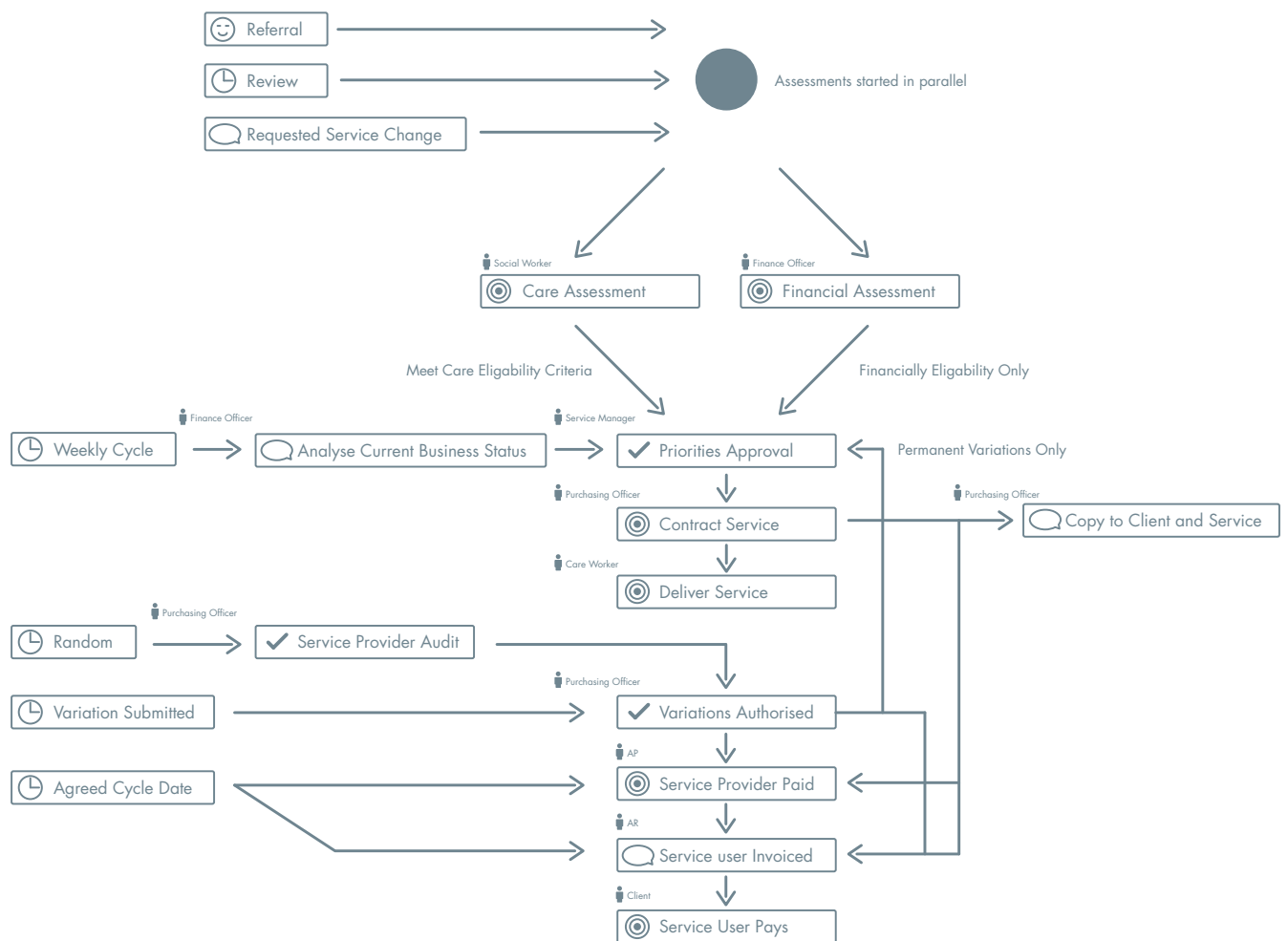


Social Care Payments Project Milton Keynes Council

Introduction

The project was established to improve BVPI8. The focus was on over 10,000 invoices received each year from external homecare agencies and residential and nursing homes. Reconciling the information on the invoices with that within the council was proving very difficult resulting in many late payments being made. This was creating relationship issues with the providers and high workloads for finance, service managers and accounts payable. As many of the providers were small businesses some were in danger of going out of business due to cash flow problems.

Approach



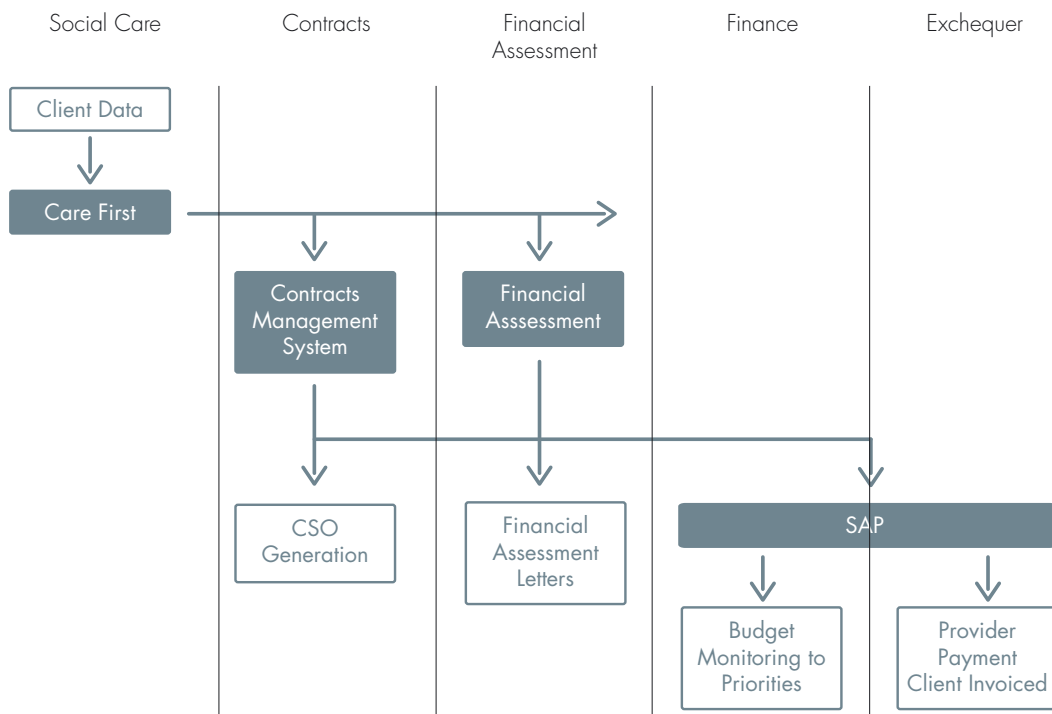
We used lean six sigma and business process improvement techniques to understand the process from care needs approval through the commissioning of care to the payments process. Through workshops all parties to the process were given basic training, became involved in understanding the essential elements of the process and then in redesigning it.

The redesign (see diagram above) eliminated the need for invoices (creating significant impact for finance and accounts payable), clarified roles and responsibilities, enabled a significant reduction in finance personnel, and most importantly gave providers regular 4 weekly payments.

Currently all external homecare provision goes through the new process and the rollout to residential and nursing homes proceeds.

The exercise also identified the need for an IT system to link the social care client database (CareFirst) with financial assessment and contracts management to SAP, the councils finance system. Data accuracy was a key issue. The Social Care database was not linked to the finance or contracting systems. This resulted in wasted effort with identical data being entered into databases and multiple spreadsheets. It also resulted in no definitive data set and significant rework in trying to reconcile changes and invoices. The IT system proposed was able to work with the re-engineered process and linked the Social Care database to the councils finance system (SAP). This is shown diagrammatically below.

Social care Payments – to be IT systems



This system has been sanctioned and is now being project managed for implementation in early 2006. The Charging module is already operational with the Contracts Management module going live April 2006.

Improvements to the priorities process have been developed and will be implemented in January 2006. The priorities process is responsible for balancing care need with the allocated budgets. Responsibility for authorisation is being delegated to Team Managers where possible with the priorities process monitoring the performance ensuring that care needs are being met within the agreed budgets. Monitoring is made visible to all to build ownership of the need to work within the budgets set.

We not only worked with Milton Keynes Council to develop the changes, but have also project managed the changes through to completion. We have ensured that all parties (from social workers to providers) have involvement in and understand the process changes to ensure a smooth transition. We continue to project manage the process rollout for residential and nursing care and implementation of the new IT system.

Involvement

A cross department, cross organisations (HBS and Milton Keynes Council) project team was established to run the project.

At each stage people at the sharp ends of the process were involved in understanding what happens now and in developing the To Be process, often through workshops.

Strong project management has ensured progress has been made over a substantial period of time.

Improvements Delivered to Date and Benefits Experienced

The Out Turn report provides customer demonstration of the improvements made and the benefits experienced with the implementation of the new process for external Domiciliary (Home Care) providers.

This can be summarised as a saving of £40,000 per annum and improved payment regime for providers

AREA	BEFORE	CURRENT POSITION
Process changes	<p>Provider supplied invoice per client to Milton Keynes Council each month.</p> <p>Finance checked invoice against information held by Contracts and internally.</p> <p>Finance resolved invoice discrepancies.</p> <p>Once all discrepancies per provider resolved payment authorised.</p> <p>Finance provides budget monitoring services and charge clients based on service provided.</p>	<p>Provider keeps Contracts up to date with variations weekly.</p> <p>Contracts pay provider 28 days in arrears using IT interface to Milton Keynes Council's finance system based on known service provided. Over or under payment adjusted for in following payment run.</p> <p>Contracts randomly audit providers.</p> <p>Finance provides budget monitoring services and charge clients based on service provided.</p>
No. of providers	13	13
BVP18	90%	The current position is not relevant as Milton Keynes Council changed its finance system to SAP forcing different ways of working across the council. The reduction in invoices has had an impact as the number of invoices processed has reduced from around 9300 to 8700 per month.
Average time Invoice Date to Payment	34 days – BVP18 for these invoices would be 30%.	99% of weekday level (not 100% as some domestic type visits are only made during week days).
No. invoices received each month	Approximately 600 – processing time estimated at 50 hours per month.	Zero
Resources: Neighbourhood Finance Contracts	3 TFE 1.5 FTE	1.5 FTE 1.5 FTE
Cashable benefit	Savings Accounts Payable and finance is valued at 1.75 FTE or £40k per year.	
Non-cashable benefits (identified at project meeting May 2005)	<p>SureCare (one of the providers) are in the black for the first time with MKC!</p> <p>SureCare sold the process to other providers.</p> <p>Improved team working. People understand more of the system and who does what.</p> <p>The movement of domiciliary clients is more visible and transparent.</p> <p>Improvement in CareFirst accuracy as social worker input leads directly to service provision and payment.</p> <p>Roles and responsibilities clarified in Finance, Contracts and Social Care.</p>	

For further information on this case study contact:

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