

Forced closures of care homes in England: how much does ownership explain care home failure?

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Who owns care?

Viewpark care home ltd

- ▶ A family run, SME, business;
- ▶ The director was also director of Beechlands Care Home Limited - another failed care home, with public atrocities;
- ▶ The director also runs an investment and a property company;
- ▶ A month after the final inspection of viewpark care home, a new care company directed by another family member is registered at the address.
- ▶ Property sold for £725k in 2020



Who owns care?

Four Seasons (No 7) Limited

- ▶ The ex-largest chain provider of care homes in England, over 25,000 residents in 500 care homes on their books at one time;
- ▶ Three different private equity owners over 15 year period;
- ▶ Loaded with hundreds of millions of pounds of debt;
- ▶ Defaulted on the debt and entered administration in 2019.
- ▶ Guy Hands, resident of Guernsey, accepted millions in dividends.

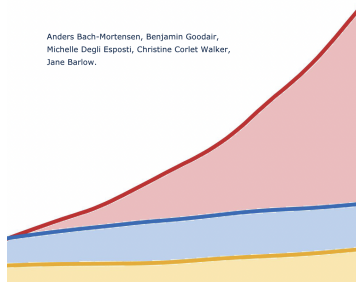
- ▶ Agenda: Does provider ownership matter - how?;
- ▶ Big, open, data allows us to track and measure some effects of outsourcing;
- ▶ Studying in a context of service failure: NHS, children's social services, adult social services.



Evidencing the outsourcing of social care provision in England

Final Project Report

Anders Bach-Mortensen, Benjamin Goodair,
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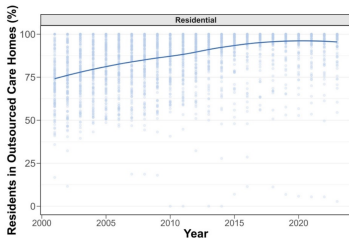


- ▶ Expenditure data: *what gets spent?*
- ▶ Activity data: *what gets delivered?*
- ▶ Provider data: *who delivers what?*
- ▶ Outcomes: *Inspection ratings and regulatory outcomes*

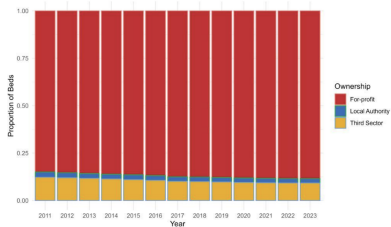
What we already know

Increasing shift to for-profit care homes

Local Authority residential placements in outsourced settings

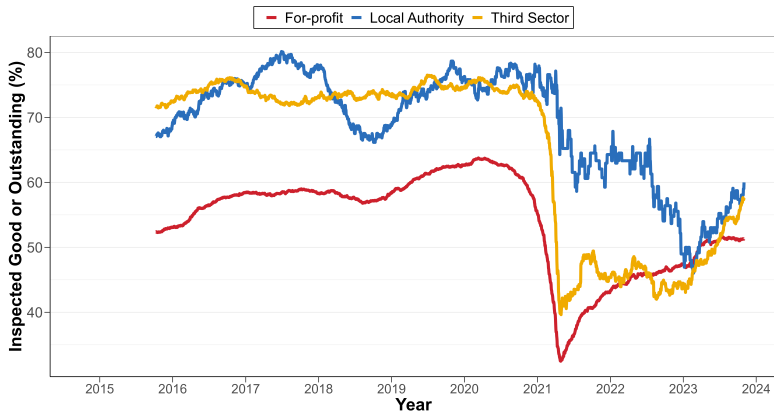


D Proportion of Beds



What we already know

For-profit providers deliver worse quality care on average



But...

Questions that we might have:

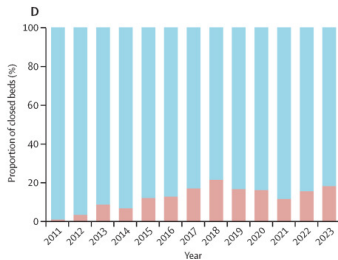
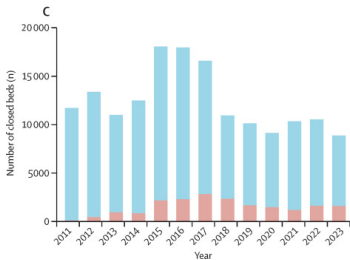
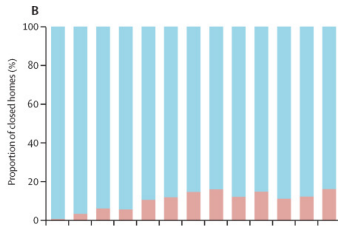
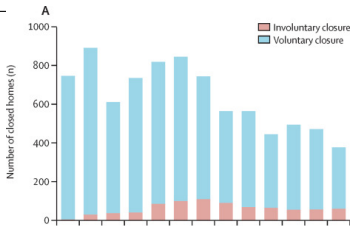
- ▶ Are are differences in 'average quality' meaningful?
- ▶ Do inspections ratings reflect resident experiences?
- ▶ Do we know the personal implications of for-profit delivery?

- ▶ Forced closures represent an extreme form of service failure;

The CQC will only consider cancelling a registration if people receiving care either have “...suffered harm or are at risk of harm because a registered person is failing to comply with legal requirements” or are “receiving care services that substantially fail to meet the standards set out in the regulations”.

A steady rate of involuntary closures

Around 1 in 30 care homes forced to closed since 2011

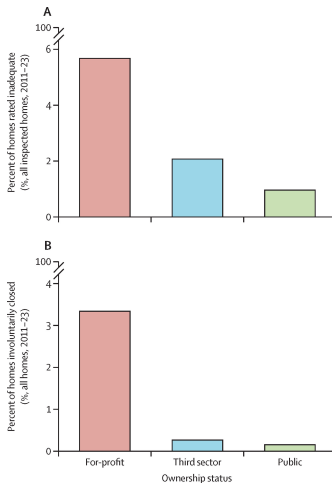


- ▶ Care homes forced to close are disproportionately:
 - ▶ Rated Inadequate
 - ▶ Recently registered
 - ▶ Not registered to serve disabled residents

- ▶ and...

Almost all forced closures happen to for-profit providers

804/ 816 (98.5%) closures were in for-profit settings

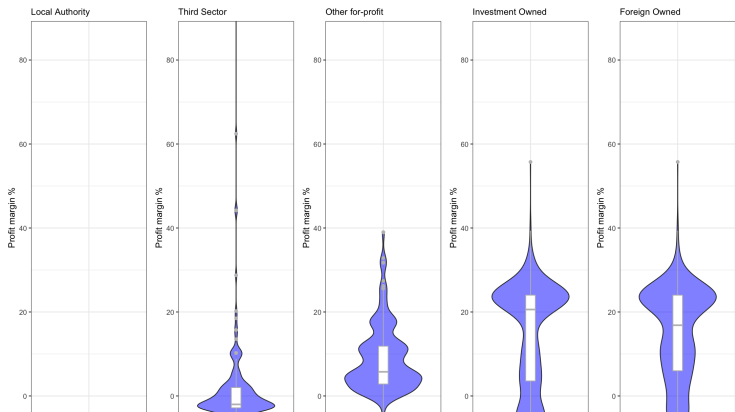


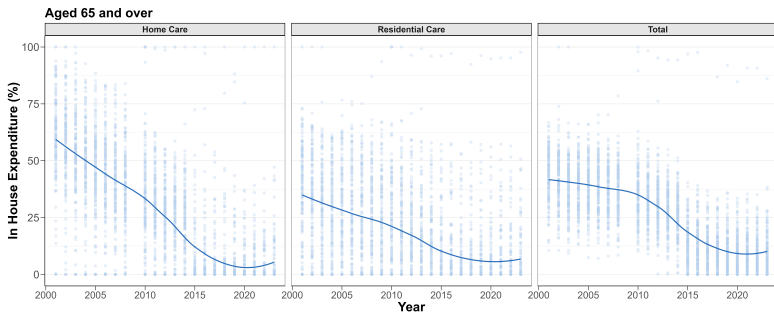
- ▶ When things go really wrong in care, it is almost always a for-profit provider;
- ▶ The for-profit gap in quality is even larger the more extreme the measure of quality;
- ▶ A consequence of outsourcing seems to be increasing the probability of receiving terrible care.

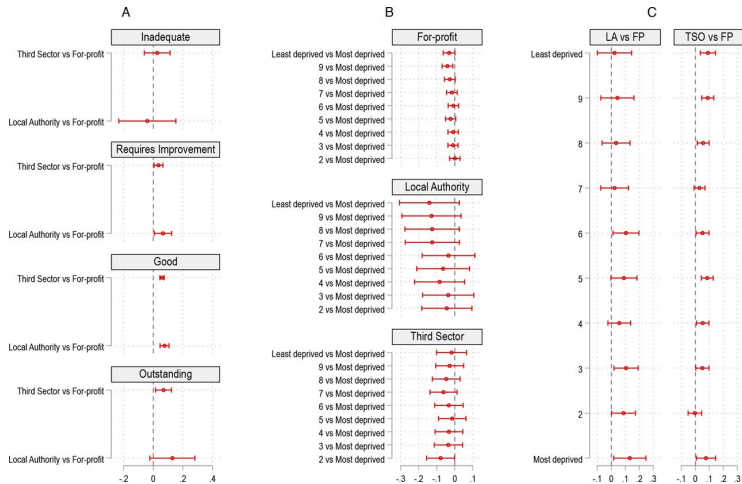
- ▶ Is this underlying quality? Or just better relationships with the CQC?
 - ▶ Are there simply different pathways for poor council care homes to close?
- ▶ This was only disproportionate in partnership and individual settings:
 - ▶ Is it profit motive? or failed 'innovation'? or both?
- ▶ What is the counterfactual? Was it better in the 1970s?

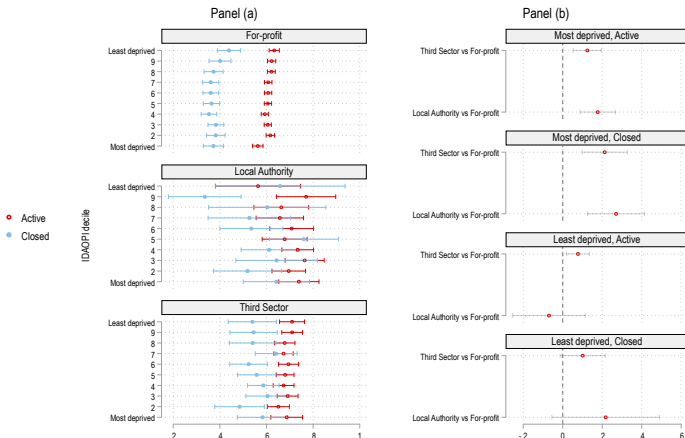
- ▶ Increased outsourcing corresponds with...
 - ▶ Worse quality care:
 - ▶ Lower CQC ratings
 - ▶ More forced closures
 - ▶ Less accessible care:
 - ▶ For-profit homes located in richest areas
 - ▶ More evictions?
 - ▶ Less equal care:
 - ▶ Quality of for-profit homes varies according to area deprivation and self-funder status

- ▶ Markets hail failure as a positive form of competitive selection - but is it worth the price?;
- ▶ Potentially 19,000 residents experiencing risks to their safety followed by disruption to their care;
- ▶ A snapshot picture of care failure suggests the marketisation, leading to for-profit domination, has worsened care at the extremes.









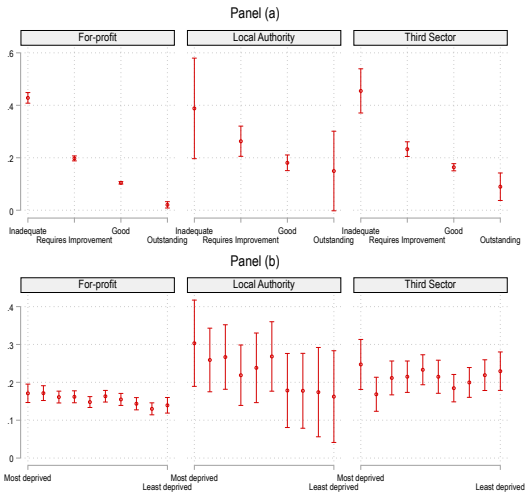
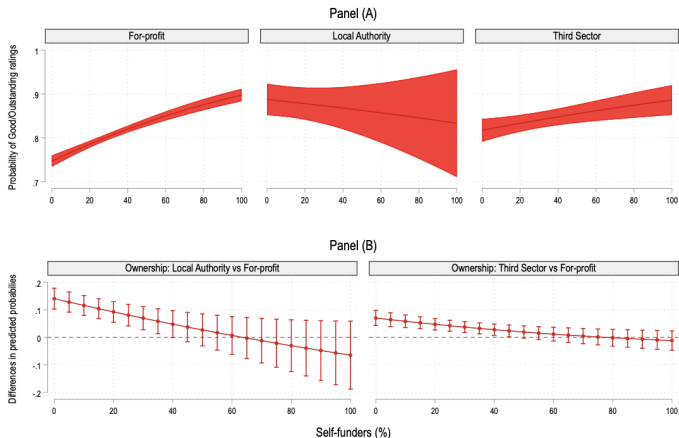


Figure 2: Predicted probabilities to be rated Good or Outstanding by ownership status.



The marginal effects models are calculated with fixed effects for reporting year and all standard errors are clustered at the location level. The models adjust for the same variables as in Model 4 in Table 2.