

Cross-Sectional Survey of Residential and Nursing Homes for Elderly People

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INTRODUCTION

Since the introduction of the community care reforms in April 1993, local authorities have had the responsibility for assessing all non-NHS publicly-funded admissions to residential and nursing home care. It would be expected, indeed it was one of the objectives of the reforms, that this would have a profound effect on the use of the residential and nursing home sector.

The survey formed one part of a three part study funded by the Department of Health which was designed to examine a wide range of issues associated with the current patterns of use of residential and nursing home care for elderly people. The principal aims of the survey were to provide a baseline description of the current population of homes, and to explore the relationship between the cost or price of care and the dependency characteristics of residents.

The survey took place in the autumn of 1996. 673 homes (82 per cent of those approached) in 21 local authorities participated. 618 homes (75 per cent of those approached) provided information both about the home and about the characteristics of individual residents. The data were collected in a way that allowed comparison with a PSSRU/CHE survey of independent homes conducted in 1986. Within the homes, information was collected about a sample of residents, accounting for 11,900 residents from a total population of 20,100. The sample of homes was designed to ensure a large enough number of homes for separate analyses for each of the four major types of home (local authority, private and voluntary residential homes (including dual-registered homes) and nursing homes). The results reported here are weighted to reflect the national distribution of homes.

THE RESIDENTS

Funding. When weighted to reflect the national distribution of residents, 71 per cent of all residents were permanent and publicly-funded. At the time of the survey at least two-thirds of publicly-funded residents in independent residential care were supported by local authorities. Nationally only two per cent of residents were funded by the NHS. Thirty per cent of residents who had any NHS funding were jointly funded by local authorities. Fourteen per cent of publicly-funded residents who were 65 or over at the time of the survey had originally been admitted as privately-funded residents.

Table 1. Resident dependency by type of home

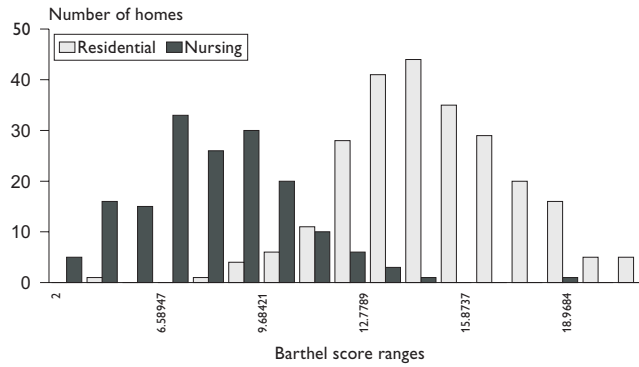
	Residential homes			Dual registered homes %	Nursing homes %	All homes %
	LA %	Private %	Voluntary %			
Severely dependent*	25	22	21	51	66	38
Needing nursing care	23	24	24	72	85	47
Severe cognitive impairment	25	21	20	31	44	28
Behavioural problems	37	30	31	33	40	34

Note

* Score 0-8 on Barthel Index of ADLs (grouped).

Dependency. Table 1 shows levels of dependency, cognitive impairment and behavioural problems by home type. As would be expected, residents in nursing homes were much more dependent than those in any form of residential care. Two thirds of residents in nursing homes were classified as severely dependent with Barthel scores of eight or less, compared with a quarter or less of residents in all forms of residential care. There is some overlap, however. Figure 1 shows the distribution of average Barthel scores for independent

Figure 1. Distribution of average Barthel scores of homes



residential and nursing homes. About 13 per cent of residential homes had similar Barthel scores to some nursing homes and 20 per cent of nursing homes shared average Barthel scores with one or more residential home. As expected, need for nursing care is much higher in nursing homes than in residential care where the need was largely

met by community nursing services. Levels of cognitive impairment were higher in nursing homes but the care of people with behavioural problems was less clearly associated with this type of provision.

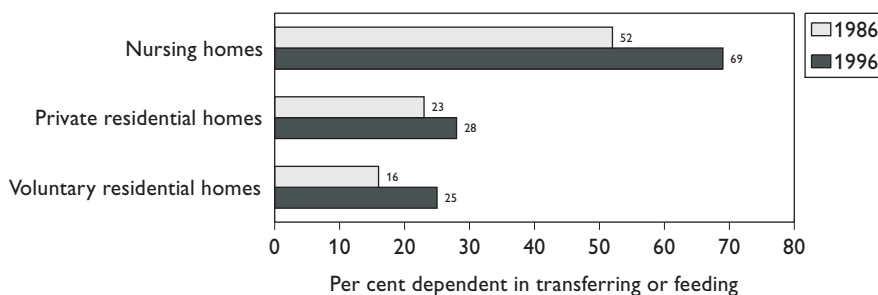
Within residential care, private and voluntary homes showed a similar dependency profile. Residents in local authority homes, however, had a higher level of dependency on average, because a smaller proportion of residents were in the least dependent group compared with independent residential homes. This may reflect the beginnings of specialisation.

Privately funded residents are more likely to be in residential rather than nursing homes, and are a little less dependent than those who were admitted with state support. This difference is most noticeable for recent admissions. Fifty-three per cent of private residents admitted to the home in the year prior to the survey score more than 12 on the Barthel ADL scale, compared with 39 per cent of publicly supported admissions.

This difference between private and publicly funded residents, which was not present in earlier surveys, suggests that the introduction of the 1993 reforms may have changed the type of resident who is publicly funded. Average levels of dependency in all types of home have been rising since the 1980s, though the changes were greatest in voluntary residential homes and nursing homes (see figure 2). These averages principally reflect changes to publicly supported residents who are the great majority.

Even so, there are significant numbers of people in residential care who are hardly impaired. Nearly one fifth of all residents score 17 plus on the Barthel scale and are fully intact on the MDS Cognitive Performance scale. The proportion is slightly lower among recent publicly funded admissions. This begs questions as to why community based services, whether publicly or privately funded, have not been practical in these cases.

Figure 2. Dependency: 1986 and 1996



A third group of interest is those who were admitted as self-funding, but have since exhausted their resources and become publicly funded. Even among people first admitted less than a year ago, five per cent of residents are in this category. They have dependency levels more like private-funded residents than other state-supported residents.

1986: PSSRU/CHE survey of residents; n = 3048 (private res.), 1926 (vol. res.), 1662 (nursing)
 1996: Survey of Residential and Nursing Home Care; n = 2389 (private res.), 4028 (vol. res.), 6430 (nursing)
 Categories based on Index of ADL (Katz et al.)

Table 2. Home characteristics by type of home

	Residential homes			Dual reg- istered homes	Nursing homes	All homes
	LA	Private	Voluntary			
Mean occupancy (per cent of places)	91.0	85.0	90.5	82.7	87.1	86.3
Per cent of beds in single bedrooms	89	69	89	65	65	74
Bedrooms with en suite toilets (%)	14	68	62	64	66	61
Services for non-residents (%)						
Day care	87	40	46	37	24	42
Bathing	47	15	23	20	10	19
Meals on wheels	43	9	14	4	7	12
Laundry	39	5	16	7	6	10
Home care	21	5	12	12	9	9

The homes. Ownership of private residential homes remained concentrated among small organisations, whereas increased proportions of dual-registered and nursing homes were being run by larger organisations. Over a fifth of voluntary-run homes in the survey had been transferred from local authority management. This historical factor may go some way to explain the comparative picture of home characteristics shown in table 2. This table identifies occupancy levels, physical facilities and other uses of homes.

Occupancy. Occupancy rates tended to be higher in local authority and voluntary homes, at just over 90 per cent of places, than in the other independent sector homes, in which average occupancy rate ranged from 83 per cent to 87 per cent of places. These occupancy rates were lower than those found for independent sector homes in the 1986 survey, which recorded occupancy rates of 89 per cent for private residential homes and 93 per cent for voluntary residential homes and private nursing homes.

Physical facilities. The use of purpose-built homes has increased since the mid-1980s, possibly as a consequence of the growth of larger organisations running dual registered and nursing homes. In 1996 local authority and voluntary residential homes had a higher level of provision of single bedrooms, although the provision of single bedrooms in independent sector homes has improved significantly over the last ten years. However, en suite showers or baths and en suite toilets were much less prevalent in local authority homes.

Other uses of homes. Local authority homes were much more likely to provide services to non-residents than independent sector homes. Day care was the main service provided to non-residents, with bathing services being the next most frequently reported. Voluntary residential homes were more likely to provide services to non-residents than other independent sector homes.

Costs and prices. An important element of the cost of care is the cost of staff. Information was collected about the basic wages paid to unqualified, inexperienced care staff. For these staff, residential care wage rates were slightly higher than nursing home rates. The majority of nursing homes and private residential homes paid basic wages below £4 per hour (89 per cent and 92 per cent respectively). By contrast, a very high proportion of local authority homes paid between £4 and £5 per hour.

At the time of the survey average weekly fees in residential homes were £237 per week and £334 per week in nursing homes. The revenue costs of local authority homes averaged £299 per week. Information about the characteristics of the homes, their location and residents was used to investigate variations in costs and prices.

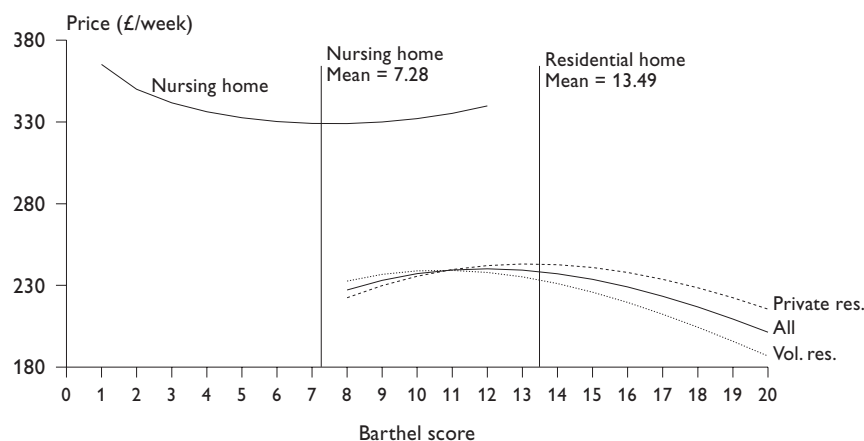
The analysis of costs and prices in the independent sector found:

- a significant relationship between price and dependency, but the effects were small compared to the effects of dependency on cost which is probably due to price setting behaviour of LAs;
- costs were not as sensitive to dependency as might be expected, especially in nursing homes. This is due in part to the dislocation between nursing and residential care as a result of the separate regulatory arrangements;
- voluntary sector residential prices were more sensitive to dependency variations and lower than prices in private sector residential homes;
- prices were very sensitive to variations in local wages;

- prices were higher for privately funded than publicly funded residents;
- prices were about a third higher in London, for each type of home;
- estimated mark-up rates of price over cost was around 10 per cent;
- the market for residential and nursing home care was highly competitive.

Figure 3 shows the relationship between prices and dependency in independent residential and nursing homes when all other influences are held constant.

Figure 3. How price varies with dependency



LOCAL AUTHORITY HOMES

The analysis of costs of local authority provision found:

- costs were very sensitive to level of occupancy;
- that where day care was included it only had a significant impact on the estimated costs of caring for residents when more than 35 sessions per week were provided;
- the impact of short-term care on costs is observable once more than 17 per cent (the equivalent of more than five residents in a 30 bedded home);
- unlike the independent sector levels of cognitive impairment among residents had a more significant impact than physical impairment on the costs of care;
- costs in London were on average 46 per cent higher, a greater differential than in the independent sector, which persists after allowing for resident and home characteristics;
- adjusting for price differentials and changes in dependency accounts for most of the difference in unit costs in local authority care between 1981 and 1996.

FURTHER INFORMATION

For further details about the survey, please contact Lesley Banks at the PSSRU in Canterbury, telephone 01227 823963, email L.A.Banks@ukc.ac.uk.

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