Consequences of Local Variations in Social Care on the Performance of the Acute Health Care Sector

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There is growing concern over the efficiency implications for the acute health care sector of shortages in social care resources. In 2000, for instance, the NHS plan announced a very significant expansion of intermediate care services with the aim to reduce demand levels on the acute sector.

Using local and health authority quantitative data, the Commissioning and Performance team have explored the relationship between local variations in social care services and three key indicators of acute health system performance, the rates of hospital delayed discharges for patients over 75 years old, of emergency readmissions following an acute episode and of hospital throughput (finished consultant episodes).

Although the analysis was primarily concerned with estimating the strength and significance of the relationship between provision of social care services and health care performance, it also presented estimates of the relationships between rates of delayed discharges, emergency readmissions, average lengths of stay and hospital throughputs with the particular aim to test whether improvements with respect to delayed discharges are at the expense of deteriorations in other dimensions of performance.

The results of the study corroborate the widely held but seldom quantified hypothesis that social care resources affect, to a very significant degree, the efficiency of the acute health care sector. The results suggested ‘richer’ social care departments enjoyed lower levels of delays, other things being equal. In turn, the levels of social care services purchased were found to depend, among other things, on the input prices faced by the providers of the services. As a result, increases in input prices (as indicated by property prices and average gross weekly earnings) were found to worsen delay rates. Holding hospital capacity constant, increases in the revenue of the health care sector were also found to reduce observed delay rates. However, when expressed in monetary terms, this effect was found to be several times weaker than that of social care budgets.

Overall, the analysis identified a positive impact of social care services on hospital throughput, reducing delayed discharges and freeing up beds for further treatment. Between types of services, the results suggested institutional modes of care might be more effective at improving rates of delayed discharge and emergency readmissions.

The results of this study raise questions about the current separate organisational systems of health and social care in England and whether re-alignment is needed. The results also confirm the major impact that input prices (wages and house prices) have on local authority levels of demand for services, and therefore on the performance of the acute health care system. Given the extreme geographical variability in prices in England, further attention needs to be paid to understanding the extent to which local cost adjustment factors incorporated into local allocation formulae do or do not fully compensate for local variations in prices.