

## Adult Social Care Client Contributions – Method of credits

To: Audit and Accounts Committee

Meeting Date: 30 January 2025

From: Executive Director: Adults, Health and Commissioning

Outcome/s: The Committee is asked to note the report, addressing enquiry from the Committee.

Recommendation/s: The Committee is asked to note the report.

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# 1. Background

- 1.1 Action arising at Committee on 31 October 2024, to understand the crediting method for ASC client contributions used to make adjustments, individuals typical experience in financial assessment process and how crediting and revisions can input customer accounts and collections.
- 1.2 All reports must have a clear description of intended outcomes in this introductory section. This should cover financial and service outcomes as well as the impact on the public.

# 2. Main Report

## 2.1 Sources of Credit for ASC Client Contributions

The Charging Policy, in compliance with the Care Act 2024 and the Care and Statutory Supporting Guidance (CASS), states that it must ensure a person only contributes what they can reasonably afford, and should not be charged more than is fair, reasonable and affordable for them to pay. Any charge for care and support services will not exceed the cost that the council incurs in meeting the person's assessed needs.

The most common cases for a reduction in an assessed client contribution, that would result in credits, are:

### ***a) Change of information or circumstances, reflected through Financial Re-Assessment***

Under the Charging Policy, to ensure compliance with the regulations, any increase or decrease in income or capital should be declared to the council at the earliest opportunity.

Where a person's circumstances change that result in reductions in income or capital, their financial contribution will be reassessed and adjusted to the date at which evidence of these changes took effect.

For example, if a person evidenced a reduction in welfare benefit income several months prior, the financial reassessment will be amended to the new (lower) assessed contribution to account for this reduced income, from the date the person's income reduced.

### ***b) Disability Related Expenditure (DRE)***

DRE are any reasonable additional costs directly related to a person's disability, that a person without a disability is unlikely to need to pay for, or whose costs are higher due to their disability. Common examples of DRE are

high energy costs, specialist washing or laundry, special clothing, or toward equipment such as a wheelchair, Turning bed or hoist.

DRE is usually a recurrent expenditure for clients; DRE costs are calculated to a weekly value in the financial assessment and reduce the person's assessed financial contribution.

At any time, a person can submit evidence of Disability Related Expenditure and request a financial reassessment. Where a person provides evidence of expenditure and the DRE is agreed by the Social Care practitioner, the person will then have a financial reassessment, and their assessed contribution amended.

The new assessed financial contribution will be applied from the date expenditure is evidenced of being incurred.

**c) *Reconciliation from Full Cost assessment to client contribution***

Charges for permanent residential care apply from the date the person moves into the care home.

A person can be assessed as Full Cost under the regulations due to their assets exceeding the upper capital threshold, due to non-return of information (excessive delay) under Section 6.1 of the Charging Policy, or where (as they are entitled to do under the regulations) they refuse to disclose their finances.

A person assessed as Full Cost, means they must pay for the full cost of their care and support provision.

If subsequently there is a change, including evidence being provided, which results in the person's assets falling below the upper capital threshold of £23,250, the person will have a financial reassessment to determine their financial contribution.

Where a person chooses not to complete a financial assessment, they will be assumed able to have the finances to meet the costs of their care invoiced for the full cost. From experience, what often happens is the person does not pay these invoices, for the full cost, resulting in a debt accruing. Where the person then chooses to disclose their information, a financial reassessment will be completed to determine their financial contribution. Where the reassessment determines the client is not full cost, their account will be credited which will reduce the level of debt owed to the council.

Once the financial assessment has been completed, the person's account is reconciled for any overpayment or deficit in contribution and adjusted in subsequent invoices.

Credits in this manner are typically where a person has chosen initially to not respond to the financial assessment, received invoices for the full cost of their care, and then responded with the required information for a financial

reassessment resulting in credits to their account.

**d) *Change between planned care and delivered care***

Where the cost of a person's care provision/package is the same or less than their assessed financial contribution, adjustments are required to ensure the client does not pay more than they should, where there might be changes in care required or delivered.

For example, if the person's assessed weekly financial contribution is £50 and cost of their care provision is also £50 per week, then any reductions in their care mean that their assessed contribution must also reduce.

## **2.2 How are Credits "transacted" on the Council's systems**

Adult Social Care use a case recording system 'Mosaic' to manage the person's personal information and the planned provision of care for them, along with their assessed financial contribution.

Where adjustments are made that retrospectively reduces the financial contribution, the Mosaic system will replace the original records for the required time period, with new records with the new values/details.

Data is extracted from 'Mosaic' in an interface file to 'ERP Gold'.

'ERP Gold' is the system used by the council to transact its Accounts Payable and Accounts Receivable functions. 'ERP Gold' therefore holds the account balance for each client, and it is to this balance any adjustments are applied. Invoices for assessed a person's financial contributions are issued 4-week in arrears from the start of care being received.

The Adults Finance Team manually reconcile the credits against the invoices already issued in ERP, credit notes and revised statement are then issued to the person. If any overpayments have been made by the person, then a refund will also be processed.

Balances are adjusted according to payments made by the person, and any changes on Mosaic via the 4-weekly data extract.

## **2.2 Individual's experience of the Financial Assessment, and how crediting and revisions can input customer accounts**

The financial assessment is a complex means-test process that can therefore be a challenging and frustrating experience, at a time where people and their families are experiencing life-changing events.

Supported by Social Care practitioners, Financial Assessment Officers and voluntary organisations, people are given information and advice about the

regulations of charging for care and the information required for an accurate and timely assessment, to ensure their client contribution is determined correctly.

Where people find it difficult to source the information required for their financial assessment and to respond to the questions being asked, time extensions can be requested to do so.

Financial contributions are invoiced 4-weeks in arrears from when the care is received. The financial assessment is typically completed around the same time as care is started, depending on information being provided.

Where a person has undergone several reassessments, for example repeated adjustments for DRE that result in a series of credits to their account, it can be frustrating, and at times difficult, for the person to understand these changes where billing is 4-weeks in arrears of actual events.

To mitigate this frustration, the Adult Finance Team will (manually) issue a revised statement to the client; and are available to speak with the person and their family, to help clarify any aspects

### 3. Appendices

3.1 None

### 4. Source documents

4.1 None