FUTURE FOCUSED FINANCE

INTRODUCTION TO NHS COMMISSIONING

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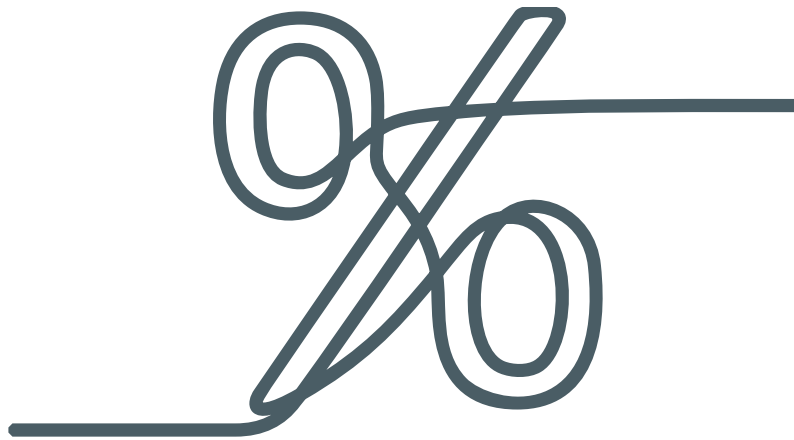
NHS
Vale of York
Clinical Commissioning Group



WHAT WE WILL COVER

- What is commissioning?
- What services do we commission?
- Who are commissioners?
- How are we regulated?
- Money in and money out
- How are our different services funded?
- What is changing?

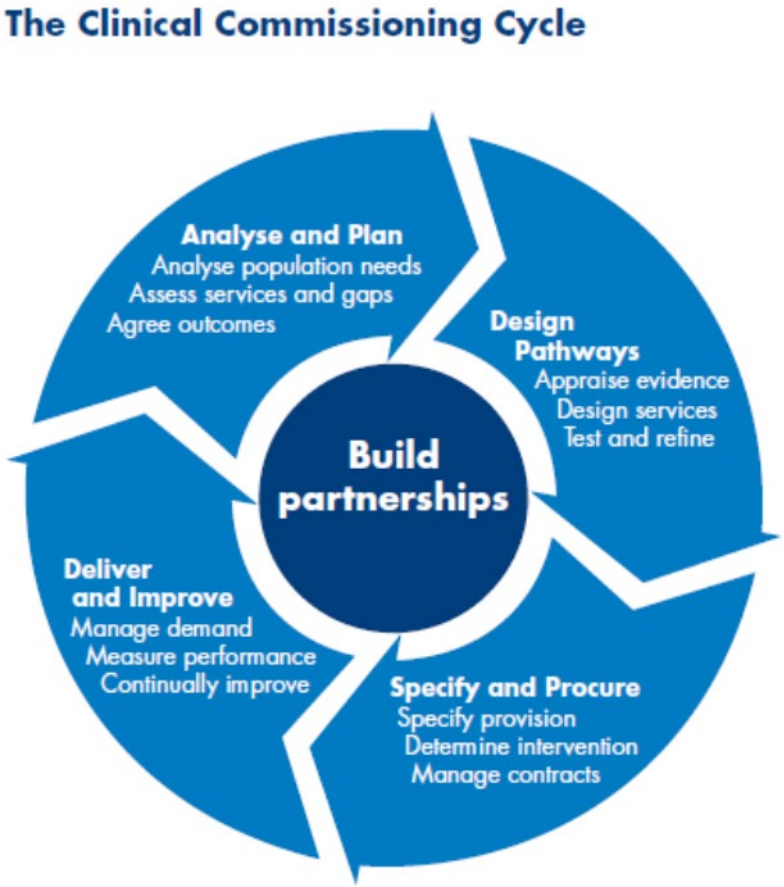
WHAT IS COMMISSIONING?

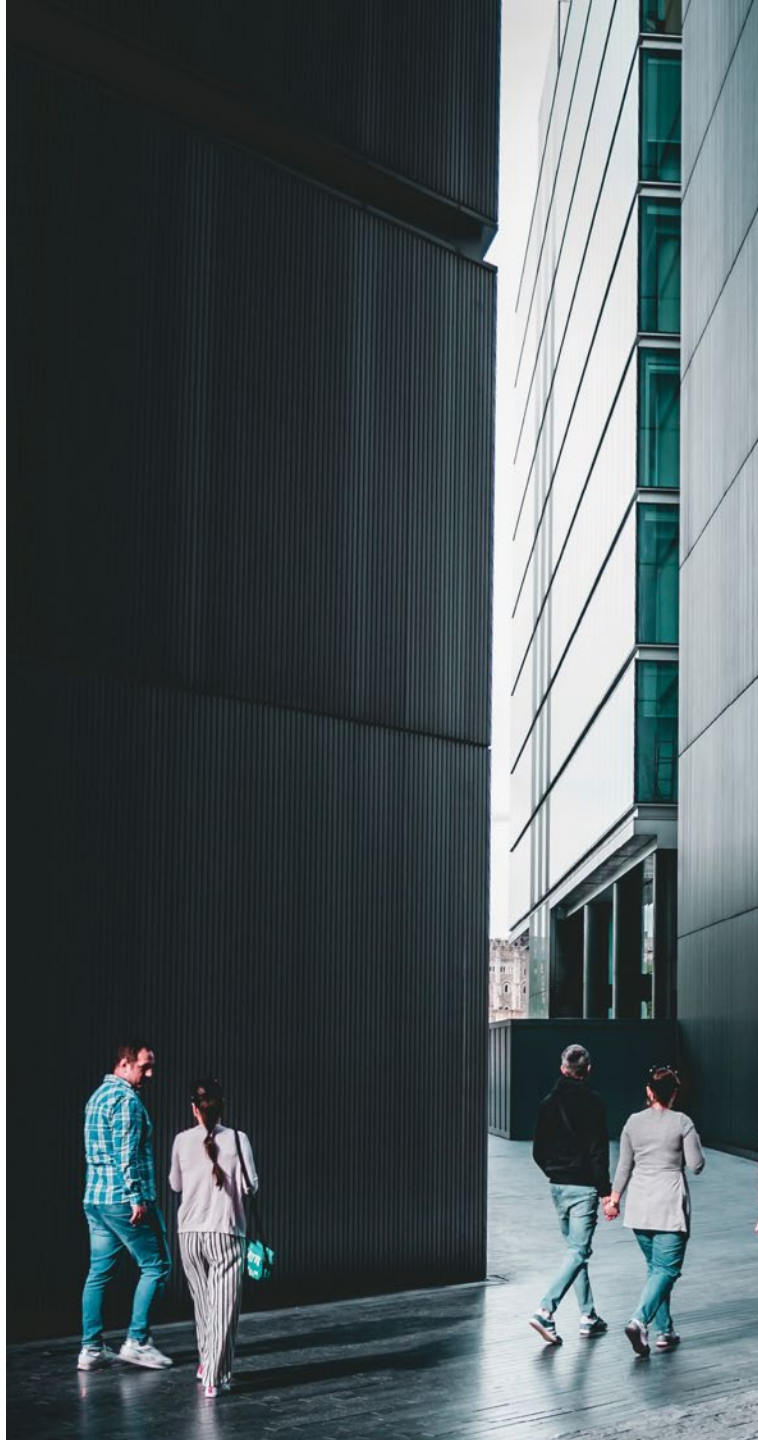
Procuring services to meet a population's health needs

This is achieved through several actions –

- Assessing and understanding a population's health needs
- Planning and designing services that best meet these needs
- Secure these services, within available resource, through contract negotiation or procurement
- Continue to monitor delivery of the service – safety, quality, performance, activity volumes, financial values

And is underpinned by building partnerships and bringing organisations together to improve the health and wellbeing of the population





WHAT IS COMMISSIONING?

AN EXAMPLE – URGENT CARE SERVICES IN YORK

We are undertaking a review of urgent care in York – including UTC (Minor Injuries, Minor Illness), GP Out of Hours, and Urgent Care in Primary Care

Currently a complex picture of different services, providers and overlaps in hours of provision

Urgent Care Redesign

Patients and the Public tell us –

- The system is too confusing. People are unsure about when to use the NHS 111 service, when to call a GP or when to go to A&E.
- GP is the first choice for an urgent care need. If people have an urgent medical condition that needs treating on the same day, the majority of people would choose the GP surgery or the NHS 111 phone line.
- A lack of knowledge about Urgent Treatments Centres (UTC) and out of hours care, what these services offer and when it is appropriate to access them.

Urgent Care activity data tells us –

- A&E is under strain – we can see that activity is increasing and performance is decreasing
- A significant proportion of patients arriving at A&E have an urgent primary care need that could be dealt with elsewhere
- Patients across our footprint have different needs

Clinicians across the system tell us –

- We need different solutions across different localities
- We can identify areas to improve provision and provider relationships across each of those localities
- They are supportive of working across providers as an integrated service

WHAT SERVICES TO WE COMMISSION

There is no single geography across which all services should be commissioned: some local services can be designed and secured for a population of a few thousand, while for rare disorders, services need to be considered and secured nationally.

Clinical Commissioning Groups (CCGs)

- 135 CCGs in England
- Commission services for their local population
- Approx average 500k population per CCG
- Responsible for approx 2/3 of NHS budget (£80bn 2019/20)

- Planned hospital care
- Rehabilitative care
- Urgent and emergency care (including out-of- hours and NHS 111)
- Most community health services
- Mental Health and Learning Disability services
- Primary Care – General Practice

NHS England

Through national and regional specialist teams -

- Primary Care – dentist and opticians (GPs in some areas)
- Specialised services – e.g. rare and complex conditions
- Secure Mental Health care
- Military and veteran health care
- Prison Healthcare
- Some public health services

WHO ARE COMMISSIONERS?

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Commonly referred to as ‘the dark side’, commissioners are not as mysterious as they seem…

- Clinical Commissioning Groups are membership bodies, based around local GP practices.
- Within a CCG you will see a range of individuals and teams -

Communications and Engagement

GPs

Commissioning / transformation specialists
(from various backgrounds including clinical)

Medicines Management

CCG

Contracting

Analytics

Finance

Nursing / Quality

In my CCG, I would estimate at least 75% of my colleagues have worked in Acute care or another NHS sector other than commissioning.

WHO ARE COMMISSIONERS?

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Building relationships is a key part of our role, and conversations with clinicians across different sectors are always something we welcome

A simple example of working together –
When biosimilar high cost drugs started to come to market (e.g. infliximab, etanercept)

- As high cost drugs these are a 'pass through cost' under tariff
- For acute trusts to switch required time and resource
- But all the savings would pass straight through to commissioners – no CIP saving for Trust
- No incentive to make the switch!

This was an opportunity to make some substantial savings – which could be reinvested into patient care

CCG and Trust worked together to implement a 'gain-share' model – both provider and commissioner benefit – and so do patients and taxpayers

It can be really beneficial to open conversations with your commissioners – e.g. if you can see a way to improve a pathway or service, particularly where it spans other organisations and providers

WHO ARE COMMISSIONERS?

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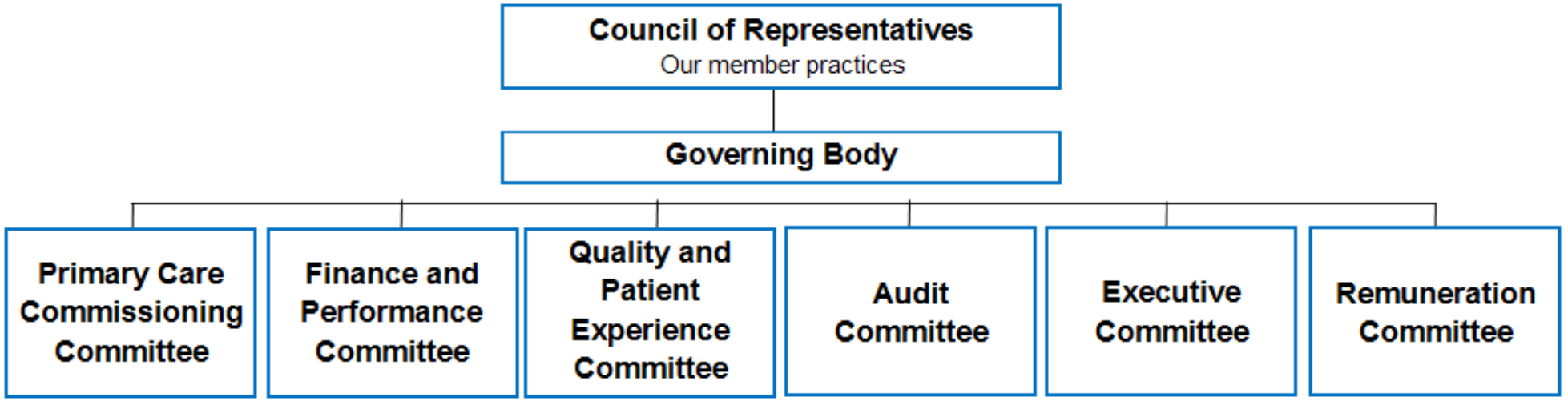
Our governance structure probably looks similar to yours…



…and is underpinned by a Scheme of Delegation, detailing which committee or post can make certain decisions – usually with a value limit specified.

HOW ARE WE REGULATED?

ONHS England and Improvement (E&I) oversee CCG performance via the NHS Oversight Framework 2019/20

NHS E&I Support is tailored to CCGs current state – this is assessed annually, and CCGs are rated across 4 categories

A range of oversight metrics cover 5 domains:

- - Implementation of New Service Models
- - Preventing ill health and reducing inequalities
- - Quality of care and outcomes
- - Leadership and Workforce
- - Finance and Use of Resources

MONEY IN – OUR ALLOCATION

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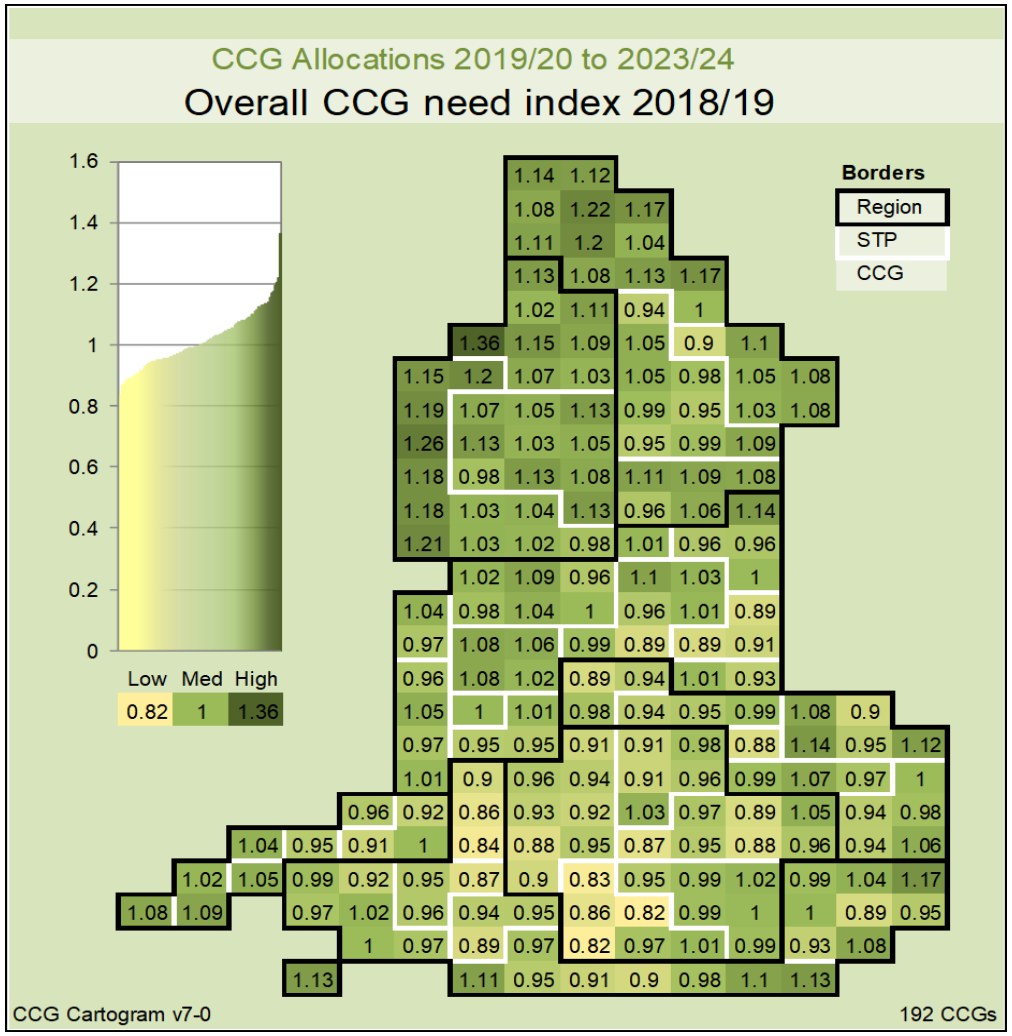
We receive an allocation per head of population.

This amount is weighted for each CCG based on a variety of factors including –

- An assessment of current need across Acute, Mental Health, Maternity, Prescribing
- An estimate unmet need and health inequalities – based on Standardised Mortality Ratio
- An adjustment for remoteness, and other unavoidable costs of delivery

For Vale of York in 2020/21, our allocation equated to £1,373 per head of population.

Running costs are a separate allocation (around £18 per head)



MONEY OUT – OUR SERVICES

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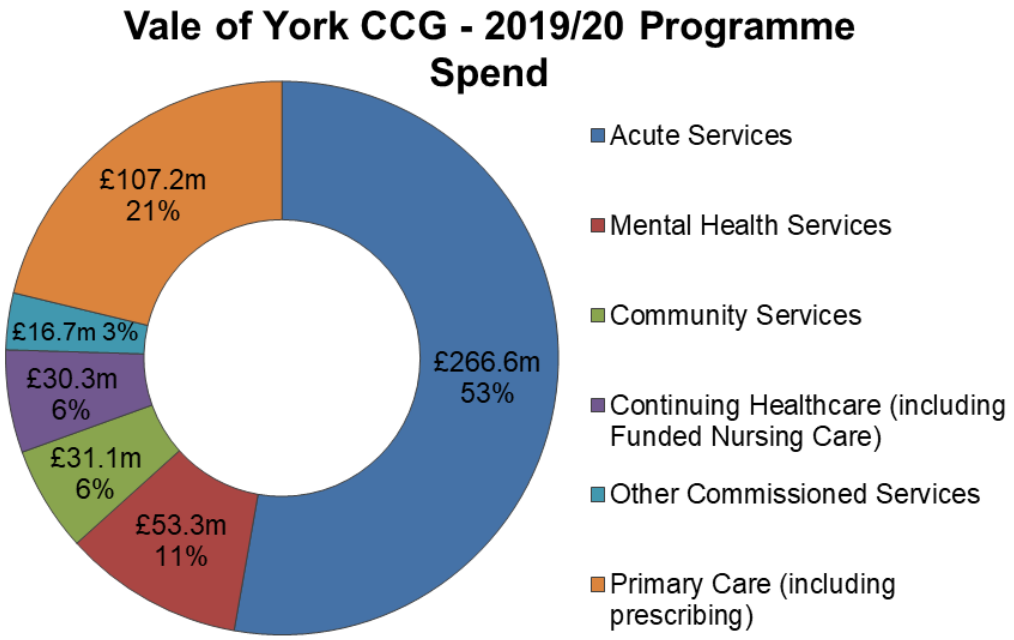

The majority of our spend is on Acute providers – this includes

- Local NHS providers
- Non-contracted activity across the country
- Independent sector providers
- Ambulance services

Within Primary Care, £53.0m was spent on prescribing, £3.4m on Out of Hours, with the remaining £50.8m funding our local practices

MONEY OUT – OUR SERVICES

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HOW ARE OUR SERVICES FUNDED?

Acute Providers

- Historically based on national tariff – 'funding follows the patient' and providers rewarded for efficiency
- However many commissioners and providers have moved away from this as it puts blocks in the way of service development and has created adversarial relationships
- In 2019/20 this took various forms – block contracts, aligned incentives, risk shares
- For 2020/21, interim COVID arrangements are block contracts
- Early indications for 2021/22 are block values based on cost of delivery, with a variable element for elective (to support recovery)

Community / Mental Health / Other Contracts

- Usually a block or cost per case contract
- Sometimes include risk sharing elements e.g. activity cap and collar, marginal rate
- In some areas, contracts are based on capitation budgets (i.e. amount per weighted head) and commissioned around outcomes and impact rather than outputs

MONEY OUT – OUR SERVICES

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HOW ARE OUR SERVICES FUNDED?

General Practice

- **Global Sum** – £ per weighted head based on Carr-Hill formula - £93.46 for 2020/21
- **QOF (Quality and Outcomes Framework)** – a voluntary reward and incentive scheme based on achievement of QOF points – indicators cover common chronic conditions, public health concerns and preventative services
- **Local / Designated Enhanced Services** – services agreed nationally (DES) or locally (LES) that supplement core services – sign up is voluntary
- **GP Improving Access** – funds additional evening and weekend capacity – currently may be through practices, networks or other providers
- **Primary Care Networks (PCNs)** – funding for developments identified in the Five Year Forward View, distributed to networks of GP practices
  - For example, Additional Roles reimbursement funds several roles in General Practice to address workforce shortages and build resilience
  - Roles included – Clinical Pharmacist, Social Prescriber, Physiotherapist, Physician Associate, Paramedic

THE MONEY DILEMMA

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There is never enough money to go around!

Finite supply of resource vs Almost infinite demand

CCGs need to -

Identify efficiencies in commissioned services and through pathway redesign

Typically this has involved -

- Optimising planned care pathways including referral management
- Use benchmarking data to identify and investigate where we are an outlier
- Prescribing initiatives
- Ensuring Continuing Healthcare packages are appropriate

Target investments where they are most needed

This is never a clear cut decision – all services would benefit from extra investment

For example – if you had £1m to invest would you invest in –

- Children and Young People's Mental Health services – to improve very long waiting times
- Primary Care capacity – more urgent appointments to reduce A&E attendances
- Community Healthcare – targeted at admission avoidance
- Additional screening and testing
- Improved IT systems to improve integration between services

WHAT IS CHANGING?

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Commissioning at scale

- Increased focus on Sustainability and Transformation Partnerships (STPs) – these represent the organisations within the health and social care system across a wider footprint than CCGs (43 across England)
- STPs are now evolving into Integrated Care Systems (ICSs) - NHS organisations, in partnership with local councils and others, take collective responsibility for managing resources, delivering NHS standards, and improving the health of the population they serve
- Increasing level of funding being distributed at ICS level

Changes to the structure of CCGs

- An increase in CCG mergers – 192 CCGs at the beginning of 2019/20, now 135
- Change in CCG management structures – senior roles covering more than one CCG
- Intention is to move towards 1 CCG per ICS with commissioning on a more strategic basis, and a focus on 'place' for services that need to be commissioned with a local focus
- Increased links with Local Authorities

Primary Care starting to work 'at scale' with development of Primary Care Networks (PCNs) – approx 50k population. Some services and funding streams are already based on PCNs rather than individual practices.
NHS Long Term Plan & increasing focus on place

Impact of COVID – has accelerated a lot of the changes needed to work effectively as a system e.g. move away from acute tariff – *another good reason to revisit any improvements to clinical services that funding has previously made difficult*

THE FUTURE

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It’s all a bit murky…. We know that

- Change is coming - there will be organisational changes
- There is still a role for commissioners but it will look different
- Likely include a strategic commissioning element, and a local ‘place based’ element
- 2021/22 will be a key year to start to see what these changes look like – and how COVID affects this

QUESTIONS?

FUTURE FOCUSED FINANCE

Future-Focused Finance is a national programme designed to engage everyone in improving NHS Finance to support the delivery of quality services for patients. We want to bring finance staff at all levels of the profession together with the teams we work with in our own organisations and make sure that everyone has access to skills, knowledge, methods and opportunities to influence the decisions affecting our services. We believe by working together in this way we can harness our diverse and talented NHS workforce to produce high quality services and reduce waste in NHS spending.

The programme consists of national and regional events, networks, resources and talent development programmes – all designed to advance the understanding of finance in the NHS. Underpinning all of our work are commitments to value the diversity within NHS finance teams and to challenge behaviours that contribute to inequality in access to development and opportunities for some.