Information for PCTs to support on-going Public & Patient Engagement - Independent Sector Procurement

Plans for offering patients in London a choice of NHS or Independent Sector for diagnostic and elective surgical procedures.

INTRODUCTION

1. Policy Context

The Government is currently delivering a major programme for investment in, and reform of, the National Health Service (NHS). The aim is to create a more responsive health service, offering faster access to high quality service. This includes radically reducing waiting times, increasing patient choice and providing new financial incentives to drive a range of performance improvements.

In October 2004, the Prime Minister announced his expectations of the next phase of procurement with the Independent Sector for elective/planned surgery (250,000 procedures annually) and Diagnostics (target value of £200 million). The purchasing of Independent Sector (IS) services forms a key part of this programme of reform and is outlined in the NHS Improvement Plan and in ***'Creating a patient-led NHS'***, which proposes developing different forms of capacity to ensure the NHS reform objectives around access can be met.

Within London, the current timescales for the delivery of capacity provided by the IS means that diagnostic services should be available from the IS from autumn 2006, and Elective Surgery should commence within the IS from early 2007. The inclusion of the additional capacity offered by the IS will ensure the NHS can deliver waiting list/access targets and by 2007/08. Services offered by the IS will be fully integrated within the NHS as part of the Extended Choice Network, where patients can choose to access care within any approved provider who meets the NHS quality standards and delivers services at or below the nationally agreed NHS tariff (i.e. agreed cost).

Elective Surgical Services

2. WHAT IS HAPPENING IN LONDON?

Separate North and South London schemes have been developed, with a planned service model of a number of community-based outpatient spokes referred to as Clinical Assessment Service Spokes (CASS) linked to a Treatment Centre/Surgi-Centre provided by the Independent Sector. It is currently planned that each CASS will act as local specialist out-reach clinic and will be situated to give convenient access to services as they will be located within one hour's travel time to a catchment of 500,000 people.

The model which is currently evolving, proposes the CASS offering access to pre-operative assessment; post-operative care; diagnostic assessments; and for patients who are thought not to require direct surgical intervention, the CASS may offer patients alternative options to surgical treatment e.g. a course of physiotherapy. If after a clinical assessment elective surgery is required, patients will have the choice of an Independent Sector Elective Surgical Centre or NHS Trust of their choice.

A summary of each of the North and South London schemes was issued to Independent Sector bidders on 8 September 2005 in the form of a Memorandum of Information (MOI). This was a very broad outline of the scheme and an indication of the required activity, which will enable a short-list of Independent Sector providers to be identified. Over the coming months SHAs will continue to work with Department of Health (DH) colleagues, in particular, key members of the Central Clinical Procurement Programme Team (CCPP; Previously known as the National Implementation Team) who are developing the Invitation to Negotiate (ITN), due to be issued early next year.

3. WHAT SERVICES WILL BE PROVIDED BY THE INDEPENDENT SECTOR?

Each SHA has put together schemes based on PCT capacity plans and discussions with PCTs on the changes and capacity needed to meet the 18-week maximum wait (which require improved access to diagnostic services). Initial plans have been submitted to DH but the exact activity that will be provided will be based on negotiations between the DH and the IS provider when the preferred bidder is known and on patients' choosing to use the independent sector when offered the option.

Ultimately the patient will decide at the point of referral whether they wish to have their procedure carried out by a local NHS provider or the Independent Sector, as they will be offered choice as part of the extended choice network. The list of specialties for which IS services will be available is still being confirmed.

4. HOW MANY INDEPENDENT SECTOR PROVIDERS WILL THERE BE FOR LONDON?

Two separate but similar schemes have been developed for North London (NC, NW and NE) and South London (SE and SW).

5. WHERE WILL SERVICES BE LOCATED?

The SHAs have set the requirement that Elective Surgery Centres need to be located within an hour's travelling time of the patient's home and be able to offer services to all patients who appropriately chose to use them, providing language and advocacy support. The number and location of these elective centres will be proposed by the IS providers submitting bids. These will be supported by a range of health care professionals providing out patient services situated in locations, e.g. within Clinical Assessment Services Spokes (CASS), that are convenient for patient transport and access. Again the number and location of these services are not known but bidders will be asked to submit proposals. The expectation is that each CASS will serve a population of around 500,000.

The list of surgical specialties for which IS services will be available is still being confirmed by the DH but is likely to involve a range of specialities including Orthopaedics, ENT, Gynaecology, Ophthalmology, Urology and General Surgery.

Ultimately the patient will decide at the point of referral whether they wish to have their procedure carried out by an NHS or IS provider, as they will be offered a choice.

Diagnostic Services

6. WHAT IS HAPPENING IN LONDON?

Like the elective surgery programme, additional capacity is being sought by purchasing a range of diagnostic services from the IS. This will form a key strand in the work to transform diagnostic services required to meet the 18-week target for waiting times that must be achieved by end of 2008; It is envisaged that increasing capacity within the NHS through the IS will free-up existing "bottlenecks" in the patient pathway and facilitate the achievement of access targets for patient waiting times across a wider range of services. In addition, the procurement of additional diagnostic services will ensure that levels of provision in England are comparable with international standards, improve accessibility by providing services in community settings, and deliver contestability.

A national approach has been adopted and clinical leads have identified a need for additional PET/CT and flexible sigmoidoscopy. The London SHAs continue to work collaboratively and we have argued successfully that suggested additional PET/CT capacity is not required in London. A capitation approach is being taken for flexible sigmoidoscopy and the London cluster has been allocated an additional 10,000 procedures on top of the local diagnostic requirements already agreed (MRI for North West, South West and South East London and a wider range of services for North Central and North East London).

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A total of 340,000 diagnostic procedures are included in the proposals for London as a whole. These are made up of imaging, cardiac and other tests. These volumes are indicative: the exact amount and profile of services may be varied in negotiation with the successful bidder.

8. HOW MANY INDEPENDENT SECTOR PROVIDERS WILL THERE BE FOR LONDON?

For diagnostics, there will be one Independent Sector provider for London.

9. WHERE WILL SERVICES BE LOCATED?

Diagnostic tests will be provided from a variety of locations depending on the type of test. Bidders will be asked to submit proposals that are innovative and make the best use of technology. Each SHA has specified how accessible services should be for example within borough; close to main transport links with maximum travel times.

CORE

10. WHAT ARE THE IMPLICATIONS FOR NHS TRUSTS?

By 2008 the patient will decide at the point of referral whether they wish to have their procedure carried out by a local or other NHS provider, or the Independent Sector (IS), as they will be able to choose between NHS and IS Providers; The list of specialties for which IS services will be available is still being confirmed.

This is difficult to quantify as we are moving to an environment of patient choice, where a provider's activity levels (and therefore income) will depend on its ability to attract patients.

While some increase in elective surgery will be required across London to achieve the 2008 18-week access target, a substantial number of patients choosing IS providers over the NHS may result in some NHS providers facing declining patient numbers and reduced income. This is likely to vary across London, and is more a consequence of choice than plurality.

11. WHAT ARE THE IMPLICATIONS FOR NHS STAFFING?

A central theme of the IS programme is bringing additional clinical resource into the NHS and the DH has therefore worked to encourage IS providers to recruit new clinical staff from outside of the NHS. This is to ensure that the programme does not detrimentally affect existing clinical NHS staff. This will continue to be a significant factor in the tender process.

The DH is currently reviewing its policy of additionality where the revised policy is likely to focus additionality requirements on those specialties/staff groups (possibly also geographical areas) where there are demonstrable shortages of staff which are predicted to persist after 2006. In response to comments from national staff organisations and the NHS, the DH is also reviewing the current policy about the use of non-contracted hours.

We understand that the capacity planning results indicate that, as part of this procurement, there will be transferred activity. This will be undertaken where there is a real benefit for patients and a subsequent releasing of existing NHS resources to concentrate on other activity. Such transferred activity may lead to requests for staff transfer. These will be dealt with on a case by case basis, and the implications are being carefully considered.

12. WILL THE DH BE NEGOTIATING CONTRACTS ON THE BASIS OF TARIFF?

Ultimately the patient will decide at the point of referral whether they wish to have their procedure carried out by a local NHS provider or the Independent Sector (IS), as they will be offered a choice. The list of specialties for which IS services will be available is still being confirmed.

The DH will aim to get the best value contracts possible recognising that there are likely to be some additional short-term costs to IS providers for setting up and staffing their facilities and meeting any additionality requirements. NHS commissioners will pay tariff for these contracts.

13. WILL INDEPENDENT SECTOR PROVIDERS BE REQUIRED TO MEET THE SAME QUALITY STANDARDS AS THE NHS?

All IS providers need to comply with all laws and governing regulations, such as being registered with and complying with the standards set by the Healthcare Commission. Providers must also comply with other contractual obligations designed to ensure the maintenance of high standards throughout the programme.

Under Phase 2, IS providers will be required to undertake training of identified NHS staff and the level required will be agreed as part of the process for agreeing contract specifications and packages.

14. WHAT LEVEL OF DETAIL IS REQUIRED FOR THE NEXT STAGE OF PROCUREMENT TO SIGN OFF THE INVITATION TO NEGOTIATE

SHAs will work with the PCTs local health communities to develop appropriate and detailed patient pathways and service models. In turn, the SHAs will continue to work collectively with the national commercial team to develop service specifications using nationally agreed *'best practice'* pathways to ensure service consistently achieve a high standard of clinical care and patient experience.

15. WILL PCT BOARDS BE REQUIRED TO SIGN CONTRACTS?

The Secretary of State will sign off the national contract. It is expected that SHAs and most PCTs will have robust plans and that these commitments to the IS programme are included in their Local Delivery Plans.

16. ARE THERE ANY SPECIFIC ISSUES FOR NORTH EAST LONDON?

As part of the strategy to increase capacity and plurality in North East London, the development of an Independent Sector Treatment Centre at King George Hospital in Ilford has been agreed. As this is a facility offered by the IS, there is no surgical activity included in the contract for NEL, only ambulatory/out-patient based activity provided at the CASS.

17. HOW CAN UP-TO-DATE INFORMATION ABOUT THE INDEPENDENT SECTOR PROCUREMENT BE OBTAINED?

We are at the beginning of this progress and have taken this opportunity to provide the latest information and keep all relevant groups informed. As the process develops, we shall ensure the groups are communicated to with the latest information

If you have any questions or require further detail at this point, please contact Monica McSharry or Tracy Dowling at the SHA who are leading on the Independent Sector Procurement on behalf of the NELSHA.

We would also be interested to hear your views about how best to ensure effective and timely communication on this issue as the process evolves.

GLOSSERY OF TERMS:

CASS Clinical Assessment Service Spoke

CCPP Central Clinical Procurement Programme

DH Department of Health

GP General Practitioner

IS Independent Sector

ITN Invitation to Negotiate

MRI Magnetic Resonance Imaging scanners *use simple radio waves in conjunction with a very powerful magnet to produce computerised sectional images of various parts of the body. Unlike some other imaging methods, MRI does not use x-rays and has no known side effects*

NHS National Health Service

PCT Primary Care Trust

PET/CT Positron Emission Tomography & Computerised Tomography *are standard imaging tools that used together allow clinicians to accurately pinpoint the location of cancer within the body before making treatment recommendations.*

SHA Strategic Health Authority