Independent Sector Procurement

Offering patients a choice of NHS or independent sector for diagnostic and planned surgical procedures.

INTRODUCTION

1. Policy Context

The Government is currently delivering a major programme for investment in, and reform of, the National Health Service. 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 for 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.

Within London, diagnostic services should be available from the IS from autumn 2006, and elective (planned) surgery should start within the IS from early 2007.

The additional capacity offered by the IS will ensure the NHS can deliver waiting list and 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 care within any approved provider who meets the NHS quality standards and delivers services at or below the nationally agreed NHS tariff.

Elective Surgical Services

2. WHAT IS HAPPENING IN LONDON?

Schemes have been developed with a number of community-based outpatient centres called 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 mode, which is currently evolving, proposes that the CASS offers access to pre-operative assessment; post-operative care and diagnostic assessments. For patients who do not require direct surgical intervention, the CASS may offer alternative options to surgery such as 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 the schemes was issued to independent sector bidders on 8 September 2005 in the form of a Memorandum of Information. 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 Strategic Health Authorities will continue to work with Department of Health colleagues. This includes members of the Central Clinical Procurement Programme Team who are developing the Invitation to Negotiate, due to be issued early next year.

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

Each Strategic Health Authority has put together schemes based on PCT capacity plans and discussions with PCTs on the changes needed to meet the 18-week maximum wait. Initial plans have been submitted to the Department of Health but the exact activity that will be provided will result from negotiations between the Department and the independent sector and on patients' choosing to use the independent sector when offered the option.

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 surgical specialties for which independent sector services will be available is still being confirmed but is likely to involve a range of specialities including Orthopaedics, ENT, Gynaecology, Ophthalmology, Urology and General Surgery.

4. WHERE WILL SERVICES BE LOCATED?

The Strategic Health authorities 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 centres will be proposed by the providers submitting bids.

The centres will be supported by health care professionals providing out patient services situated in locations, such as 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.

Diagnostic Services

5. WHAT IS HAPPENING IN LONDON?

Like the elective surgery programme, additional capacity is being sought by purchasing a range of diagnostic services from the independent sector. This will form a key strand in the work to transform diagnostic services required to meet the 18-week target for waiting times.

Increasing capacity within the NHS through the independent sector will free-up existing "bottlenecks" and make it easier to achieve access targets for patient waiting times across a wider range of services. In addition, 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.

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

A total of 340,000 diagnostic procedures are included in the proposals for. 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.

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

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

8. 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 Strategic Health Authority has specified how accessible services should be for example within borough; close to main transport links and maximum travel times.

SOME FREQUENTLY ASKED QUESTIONS

9. 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. The list of specialties for which independent sector 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 independent sector 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. WILL THE DEPARTMENT OF HEALTH BE NEGOTIATING CONTRACTS ON THE BASIS OF NHS TARIFFS?

The Department will aim to get the best value contracts possible recognising that there are likely to be some additional short-term costs to independent sector providers for setting up and staffing their. NHS commissioners will pay NHS nationally agreed tariff for these contracts.

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

All independent sector 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.

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

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

14. 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 independent sector programme are included in their Local Delivery Plans.

15. 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 independent sector, there is no surgical activity included in the contract for North East London, only ambulatory/out-patient based activity provided at the Clinical Assessment Services Spokes (CASS),.