

Trust Board Report

Meeting Date:	Monday 23 rd April 2012
Title:	LDP and Contracts 2012/13
Executive Summary:	An overview on Clinical Services Contracts for 2012/13
Action Requested:	Trust Board members to review report and understand implications for their service areas.
Report of:	Maxine Espley, Director of Planning and Contracting
Author: Contact Details:	David Butterworth, Head of Commissioning and Contracting Tel: 01902 695945 Email: David.Butterworth@nhs.net
Resource Implications:	The level of income received from Contracts has been taken into consideration in setting 2012/13 budgets.
Public or Private: (with reasons if private)	Public
References: (eg from/to other committees)	
Appendices/ References/ Background Reading	
NHS Constitution: (How it impacts on any decision-making)	<p>In determining this matter, the Board should have regard to the Core principles contained in the Constitution of:</p> <ul style="list-style-type: none"> ✚ Equality of treatment and access to services ✚ High standards of excellence and professionalism ✚ Service user preferences ✚ Cross community working ✚ Best Value ✚ Accountability through local influence and scrutiny

Background Details

1.	Introduction <p>As an integral part of Local Delivery Plans (LDP) for 2012/13, commissioners have to ensure that contracts are in place with providers using the NHS Standard Contract for Acute and Community Services. Contracts must be consistent with Department of Health (DH) policy and guidance and meet the requirements of the DH Operating Framework. This report gives the detail on the current position with commissioners in respect of RWHTs 2012/13 Contracts.</p> <p>Wolverhampton City PCT (WCPCT) have the responsibility of agreeing the 2012/13 NHS Standard Contracts for Acute and Community Services for all other PCTs in its role as Coordinating Commissioner. The Trust also provides a range of Specialist Tertiary Services which continue to be commissioned by Specialised Services using the same 'standard contract.'</p>
2.	PCT Commissioner - Contract Framework <p>The DH Guidance in respect of the 2012/13 NHS Standard Contract requires commissioners to regulate on a range of specific standards and targets and the SHA Cluster have reinforced this requirement. The contract includes monthly profiling, thresholds and trajectories across the range of standards and targets and also details where financial levers/penalties can or must be applied.</p>
2.1	There are pre-determined standards and financial levers (penalties) for the following across the 3 contracts (Community; Acute; Specialised Services).
2.2	There are pre-determined targets for the following (subject to contract regulation and monitoring - which may lead to financial levers being applied).
	a) Acute Services <ul style="list-style-type: none">• 5 A&E quality indicators - unplanned re-attendance rates; total time in A&E; left Department and not seen; time to initial assessment; time to treatment• Cancelled Operations - (both Admitted and Non Admitted) and offering a new date in 28 days.• Stroke Strategy - 80% people spend 90% time on Stroke Unit and 60% of TIA's scanned and treatment in 24 hours• Ethnic Coding• Complaints• Turnaround of Discharge Summaries within 24 hours• Reduction of falls• Fracture Neck of Femur - time for surgery• Access to Carotid Enderarterectomy surgery within 14 days of referral• SHA Cluster and contractual assurance framework – A&E; range

	<ul style="list-style-type: none"> • choose and book criteria • Information returns to Secondary User System (SUS) - accuracy and timeliness <p>b) Community Services</p> <ul style="list-style-type: none"> • Number of Smoking quitters • Number of Health Visitors • Breastfeeding prevalence; 6-8 week breastfeeding • Children’s height and weight recorded • Number of children’s referrals to weight management support programme • Human Papilloma Virus vaccines for 12/13 year old girls • Tetanus, Diphtheria & Pertussis vaccines for 13-18 year old girls • % stroke patients with personalised plans • Number/% of patients with end of life plans achieved <p>c) Specialised Services</p> <ul style="list-style-type: none"> • Acute services standards were appropriate • Organs for Transplant – range indicators linked to referrals to the Specialist Nurse for Organ Donation. 		
2.3	<p>The Standard NHS Contract requires all co-ordinating commissioners to introduce Commissioning for Quality and Innovation (CQUIN) Schemes as part of the contract, within a payment framework of 2.5% of total contract income.</p> <p>It should be noted that income from CQUIN Schemes is non-recurrent with new schemes needing to be agreed each year. As a consequence, any operating costs to deliver 2012/13 CQUIN Schemes will need to be minimised.</p> <p>A summary of the three CQUIN Schemes is shown below.</p> <table border="0" style="width: 100%;"> <tr> <td style="vertical-align: top; width: 50%;"> <p>Acute Contract - £5,417,438</p> <p>11 Indicators (% share of total income)</p> <ul style="list-style-type: none"> • VTE (5%) • Patient Surveys (9%) • Tissue Viability (9%) • NHS Safety Thermometer (5%) • Dementia (7%) • Catheter Safety (9%) • Net Promoter (5%) • Medicines Management – Antimicrobial Stewardship (9%) • Pharmaceutical Risk Assessment (12%) • Share Care Agreement (15%) • Use of IFR and PbR Software (15%) </td> <td style="vertical-align: top; width: 50%;"> <p>Specialised Services Contract - £1,227,997</p> <p>6 Indicators (% share of total income)</p> <ul style="list-style-type: none"> • VTE (10%) • Patient Surveys 10% Access Renal Therapies (25%) • Access to Organs for Transplant (15%) • Avoiding preventable blindness in Neonates (20%) • Auditing Neonatal Pathways (20%) </td> </tr> </table>	<p>Acute Contract - £5,417,438</p> <p>11 Indicators (% share of total income)</p> <ul style="list-style-type: none"> • VTE (5%) • Patient Surveys (9%) • Tissue Viability (9%) • NHS Safety Thermometer (5%) • Dementia (7%) • Catheter Safety (9%) • Net Promoter (5%) • Medicines Management – Antimicrobial Stewardship (9%) • Pharmaceutical Risk Assessment (12%) • Share Care Agreement (15%) • Use of IFR and PbR Software (15%) 	<p>Specialised Services Contract - £1,227,997</p> <p>6 Indicators (% share of total income)</p> <ul style="list-style-type: none"> • VTE (10%) • Patient Surveys 10% Access Renal Therapies (25%) • Access to Organs for Transplant (15%) • Avoiding preventable blindness in Neonates (20%) • Auditing Neonatal Pathways (20%)
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	<p>Community Services - £1,227,997</p> <p>9 Indicators (% share of total income)</p> <ul style="list-style-type: none"> • NHS Safety Thermometer (7%) • Patient Experience Inpatient (13%) • Tissue Viability (11%) • Antimicrobial Stewardship (11%) • HCAI Catheter Safety (12%) • Formulary/wound dressings (17%) • Smoking – brief intervention (12%) • Individual Care Plans patient with LTC (12%) • Net Promoter (5%)
<p>3.</p>	<p>Contract position for Acute services - £222,121,888</p> <p>Negotiations have been completed with WCPCT in respect of the costed activity and finance plans, and contract documentation signed off for the 2012/13 NHS Standard Contract. The introduction of revised tariffs for 2012/13 has seen an estimated reduction on 2011/12 tariffs of circa 1.8%.</p> <p>WCPCT and RWHT have had detailed discussions and negotiations to reach agreement of what was to be included in the 2012/13 contract plan. A number of areas require further development and analysis during 2012/13 for final agreement to be reached. These include:</p> <ul style="list-style-type: none"> • QIPP – no financial details have been included within the signed contract however agreement has been reached to establish a joint Modernisation Programme and Risk Sharing Agreement to drive forward this agenda. • Emergency Readmissions – further discussions will be completed in Q1 to reach agreement on implementing national guidance/best practice. • Dermatology – Commissioners have committed to provide RWHT with clear commissioning Intentions for the next 2 years by May 2012 • Dementia – Commissioners have agreed to fund Q1 Services. The service evaluation report will be reviewed by commissioners prior to reaching an agreement of the potential longer term financial investment plan. • NICE TAGs – 2012/13 further discussions will be required before any commissioning decision to fund the implementation of TAGs via contract variation orders (CVO's). • Best Practice Tariff (BPT) – the impact of the BPT for Hips and Stroke have been included in 2012/13 contract baseline and the impact of new PbR tariff for 2012/13 is subject to further discussions and agreements. • Impact of Mid Staffordshire FT A&E Closure – this will be reviewed by commissioners and RWHT in Q1 to agree the value to be added to the 2012/13 contract and the impact upon the emergency threshold.

- Emergency Threshold – Further discussions are required to agree the emergency threshold adjustment.

RWHT had reserved the right to have further discussions about potential service changes for 2012/13, with an acceptance by both parties that issues maybe raised throughout the year, and dealt with by agreement and CVO's. This principle applies to service areas where there ate non recurrent funding solutions in 2012/13 (i.e. Maxillo Facial Prosthetics).

The key current discussions are related in the significant revision require (increases) of the WCPCT plan for Ophthalmology Services.

3.1 Contract position for Community services - £ 52,739,000 (£50,347,862 for the NHS Community Contract)

The table below sets out the community service contract which have been negotiated and finalised for 2012/13.

Commissioner	Contract Type (Community/Dental)	Contract Income	Contract type
Wolverhampton City PCT	Community Services	£45,750,041	Block
Wolverhampton City PCT	Dental Services	£2,138,000	Block
Walsall PCT	Community Services	£1,557,570	Cost and volume
South Staffordshire PCT	Community Services	£1,911,011	Cost and volume
Dudley PCT	Community Services	£751,513	Cost and volume
Sandwell PCT	Community Services	£163,734	Cost and volume
Shropshire PCT	Community Services	£155,051	Cost and volume
Telford and Wrekin PCT	Community Services	£58,942	Cost and volume
Total		£50,347,862	

There are further income sources for community services including:

- Amputee Rehab Services – to be agreed at a value of circa £600,000, with Birmingham Community Services Trust.
- 6 month extension to the nurse led beds service, and an increase (to the value of £121,000)
- Increase in Health Visitor expansion within a funding envelope of £226,000
- Non recurrent funding to be added to the contract in year for a Stroke Family Support Worker
- Introduction of a Long Acting Reversible Contraception (LARC) Training Programme.

It should be noted that a block contract has been maintained for the services commissioned by WCPCT. During 2012/13 a significant amount of work will

	<p>be required to move towards a local tariff for community services in 2013/14. This will include a rebasing of the contract pricing and activity structures for all services. WCPCT and RWHT are working jointly on a Community PbR project to enable this process, with support funding provided by WCPCT outside of the contract baseline.</p> <p>Any Qualified Provider (AQP) is to be introduced during 2012/13. WCPCT have notified RWHT that the three services subject to AQP are: Wheelchairs, Podiatry and Adult Hearing Services. Any contractual impact will be dealt with as an in-year change and a full contract year value is currently contained within the contractual agreement.</p> <p>The urgent care triage service (WUCTAS) is currently funded on a non-recurring basis and as a consequence funding until November 2012 is currently included within the signed off contract baseline. An evaluation report is currently underway which will be considered by commissioners in August 2012 in order to agree the future structure and funding for this service.</p>
<p>4.</p> <p>5.</p> <p>5.1</p> <p>5.2</p> <p>5.3</p>	<p>Contract position for the West Midlands Specialised Commissioning Team (WMSCT) –£59,233,384</p> <p>The WMSCT have agreed a contractual framework for 2011/12 with RWHT to reflect key elements of the 2012/13 NHS Standard Contract for Acute Services and added to this specific elements appropriate for Specialised Services.</p> <p>Challenges that require further discussions with SCT colleagues in preparation for 2013/14 will include renal services in respect of activity and pricing structures, and the pricing structures for critical care and radiotherapy, in addition there are ongoing discussions about activity levels within year and Intensity Modulated Radiation Therapy funding.</p> <p>Income plan for 2012/13 and associated risks</p> <p>The planned contracted income for 2012/13 is £334.1m. This is split between:</p> <ul style="list-style-type: none"> • £222.1m for the Acute contract • £52.7m for the Community Services contract • £59.2m for Specialised Services contract. <p>This reflects the out-turn position for the Trust and given the current challenging climate represents a very positive outcome. As a comparator the 2011/12 contract plan was £327.4m</p> <p>In addition to the contracting income there are other sources of non-contracted income for the Trust including: £4.6m Road Traffic Accidents and Non Contracted Activity.</p> <p>The main risks associated with the 2012/13 Contract Plans are:</p> <ul style="list-style-type: none"> • The impact of the Modernisation Programme and Risk Sharing Agreement • Ensuring the contract activity and income plans are met. • Agreement for the revision of activity plans with commissioners • Ensuring sufficient appointment slots to meet GP referral rates. • Failure to meet the CQUIN Scheme performance targets • Financial penalties for failure to meet the Contract Standards

