The Royal Wolverhampton Hospitals NHS Trust	

Trust Board Report

Meeting Date:	Monday 17th January 2011
Title:	Operating Framework 2011-12
Executive Summary:	The report provided detailed information in relation to the Operating Framework 2011/12 and PbR Road Tariff Information
Action Requested:	Trust Board members to review report
Report of:	Vivien Hall, Chief Operating Officer
Author: **Contact Details:**	David Butterworth, Head of Commissioning Tel: 01902 695945 Email: david.butterworth@nhs.net
Resource Implications:	RWHT will review the service contractual and formal implications in respect of 2011/12 planning.
Public or Private: **(with reasons if private)**	Public
References: **(eg from/to other committees)**	
Appendices/ **References/** **Background Reading**	The Operating Framework 2011/12
NHS Constitution: **(How it impacts on any decision-making)**	In determining this matter, the Board should have regard to the Core principles contained in the Constitution of: - 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.	**Overview** The Department of Health issued the Operating Framework for 2011-12 on the 15th December 2010, setting out the challenges in implementing the first full year of transition of the new direction of the NHS.
2.	**Reforming the NHS 2011/12** The Operating Framework has provided detailed plans to support the Governments White Paper 'Equity and Excellence: Liberating the NHS' with first year plans to introduce new roles and organisational structures over the next 3 years.
2.1	**National** The NHS Commissioning Board (NHSCB) will be introduced in shadow form in 2011/12 and become fully operational in 2012/13, when it will take responsibility for supporting, managing, and holding to account the development of GP Consortia; will allocate and account for NHS Resources; and directly Commission a range of Specialist services.
2.2	**SHA's & PCT's** SHAs will remain accountable for leading their regions in 2011/12 and in developing cluster arrangements for PCTs.
	PCT Clusters will have a single executive team by June 2011 who have responsibilities to support the emerging GP Consortia; to take an overview and support the management of PCT commissioning and contractual arrangements and to coordinate QIPP plans and PCT yearly operational plans. A GP Consortia development cost of £2 per population head will be introduced in 2011/12, funded by management cost savings and coordinated by the PCT clusters.
	The PCT Cluster for the Black Country will consist of Wolverhampton, Dudley, Sandwell and Walsall PCTs. Commissioners will be expected to use the standard contracts with very high levels of regulation in respect of sanctions and penalties. There will be an integrated acute and community services contract or the option to use separate contracts. Furthermore, there will be an expectation for providers to take responsibility of managing demand and avoiding additional costs being placed upon the system.
2.3	**The Outcomes Framework** The DH issued an outcomes framework for the NHS in December 2010 consisting of 5 outcome domains, each with overarching indicators improvement areas and suites of NICE quality standards. These performance indicators will be introduced in commissioning and contractual arrangements in 2012/13. Providers are encouraged to review the potential data collection requirements and establish baselines around these performance indicators to shadow monitor during 2011/12.
2.4	**Quality Accounts** There is an expectation for 2010/11 Quality Accounts to be produced for both acute and community service providers and for these to demonstrate patient experience and feedback is being used to improve service quality.

2.5	**Better Information** The DH will introduce a revised Information Strategy (to be published in early 2011); revise PROMs Guidance for extended usage during 2011; guidance for information technology in digital technology to support QIPP (i.e. telehealth and telecare).
2.6	**Choice** From April 2011, providers will be required to introduce Choose and Book facilities to enable patients to be referred to a named Consultant Led Team and to continue to publish information about its services to enable people to make choices about healthcare.
	Furthermore, during 2011 there are plans to introduce greater choice in diagnostic tests and post diagnostic care; choice in long term conditions; choice in community service provision; choice in maternity services from pre conception throughout pregnancy and after birth.
3. **3.1**	**Service Quality** **QIPP** The key challenge will be to release £20 billion in efficiency from the QIPP programme for reinvestment into services between 2011/12 to 2014/15.
3.2	**New Challenges** Commissioners will be expected to implement new service models and commissioning arrangements for Health Visitors. A new cancer drug fund of £2 million will be introduced in the year and all NHS organisations to make progress on the National Dementia Strategy throughout the year.
3.3	**Overview Key Quality Requirements** • Maintain referral to treatment times (NHS Constitution) • Introduction of 8 performance indicators in A&E • All providers to meet category A response times for Ambulance Services • Zero Tolerance approach for Healthcare Associated Infections and stretch targets to be agreed with commissioners for MSSA. • Compliance with eliminating mixed sex accommodation, reporting breaches and contract sanctions to be used. • The DH End of life care strategy needs to be an integral part of commissioners QIPP workstream, ensuring adequate 24/7 community services available with plans for patient care and preferences. • Commissioners to implement the 2010/11 Accelerated Stroke Improvement Programme focusing on prevention, acute care, post hospital discharge and long term care • Diabetes patients to have screening for early detection and then any appropriate treatment of retinopathy; Commissioners and Providers to ensure insulin pumps available for people with diabetes (NICE requirement) • Cancer Reform will require commissioners to work with networks on fully implementing NICE IOGs and to commission Intensity Modulated Radiotherapy Treatment (IMRT) • Contracts will be commissioned on delivery of current cancer waiting time standards.

3.4	**Emergency Preparedness** Emergency Preparedness expectations of all organisations is to maintain and test emergency preparedness and major incident plans, to have robust tested command and control systems and well developed plans to manage any exceptional surges in activity (i.e. swine flu/pandemics).
4. **4.1**	**Finance and Business Rules** **PCT Allocations** PCTs have received their allocations for 2011/12 including the £150million for reablement and £648million to support Social Care. WCPCT allocation is £452million (2.2% growth) and they will need to commit 2% non currently (held by SHA for the PCT business cases).
4.2	**Contract Prices** PbR Tariff has in built reductions to deliver efficiency requirements and this has meant a 1.5% reduction in non Tariff prices. The detailed road test guidance on PbR tariff for 2011 has been released and RWHT are currently modelling this to understand the potential impact on the 2011/12 contract.
4.3	**Emergency Readmissions** There will be no reimbursement for emergency readmissions that occur in 30 days following elective admission. Emergency readmissions following emergency admission will have a potential improvement threshold set at 25% compared to 2010/11, with funding not available outside of this threshold. The 30% marginal rate for over performance on emergency activity continues.
4.4	**Tariff Changes** Other tariff changes in 2011/12 can be summarised as: • Increase in best practice tariff for 2010/11 • Increase in new mandatory outpatient attendance tariff • Increase in number of mandatory outpatient procedure tariff • Mandatory currencies (not prices) for adult/neonatal critical care and cystic fibrosis • Introduction of new tariff flexibilities for PPCI, GUCH Services and management of arrhythmias.
5.	**Accountability and Timetable** The DH will review SHA 2011/12 regional plans initially at the end of January and finally end of March and seek SHA assurance in March and June 2011 on their agenda for quality, productivity and reform. SHAs, PCT clusters and PCTs will continue their current accountability regimes throughout 2011/12. The roles of the Care Quality Commission and Monitor Compliance Framework continues in 2011/12. PCT Clusters will co-ordinate and help manage PCT's operational plans, QIPP plans and contracts. RWHT expect to receive Commissioners final financial and activity offers by the 20th February 2011; to reach final contract agreements by the 11th March 2011; to sign contracts with all the associate documentation by the 18th March 2011. RWHT currently have rigorous LDP collaborative planning meetings with WCPCT and Specialised Services planned from December 2010 to May 2011 to ensure effective contractual and LDP arrangements will be agreed.