Agenda Item: 17.67

V2

NHS
West Norfolk
Clinical Commissioning Group

Subject:	2017/18 – Local Enhanced Services
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Submitted to:	West Norfolk Primary Delegated Commissioning Committee
Purpose of Paper:	For Information and approval

Executive Summary

This paper provides an overview of the proposal for WNCCG Primary Care Local Enhanced Services for the financial year 2017/18

KEY RISKS (in relation to CCG strategic objectives and statutory duties)

Clinical & Quality: Compliance is monitored, and activity recorded by the CCG. Specifications to receive CCG Clinical and Quality sign-off before implementation.

Finance and Performance: Risk that changing the basis and approach of LES payments may exceed the funding available through current LES budget, and the 2017/18 PMS release monies.

Reputation: The CCG routinely reviews any reputational risks associated with its work on Primary Care. Early relationship building with West Norfolk Health, who have been significantly involved in developing the proposal.

Legal: The CCG ensures that it is acting within its statutory obligations in relation to primary care development.

Patient focus: Aim to provide parity of services to all WNCCG patients.

Information Governance: Compliance to policy

Conflicts of Interest: The Committee has been set up to ensure that the CCG acts within the guidance on conflicts of interest. This decision represents significant payments to WNCCG GP practices.

Equality Impact Assessment: Not applicable.

Reference to relevant risk on the Governing Body Assurance Framework: Not applicable.

RECOMMENDATION: The Committee is asked to approve:

- That the suite of Local Enhanced Services are commissioned and paid for considering one of the options proposed.

West Norfolk CCG – Development of Local Enhanced Services for 2017/18 and the development of a Demand Management in Primary Care Agreement

1) Introduction

Historically, a range of Local Enhanced Services (LES) have been commissioned from practices in West Norfolk. The services commissioned fall outside of the core GP contractual payments, and the enhanced services commissioned at a national level (e.g. Influenza, Childhood Immunisations). The commissioning of these LES ensures that services are provided by practices for the benefit of their patients. These services had not previously been reviewed for a number of years in terms of value for money and relevance.

As part of this review, it was identified that one of the most significant funding pressures for some practices is as a direct result of the PMS review. CCG's are required to reinvest monies released as a result of the PMS review into primary care in an equitable manner. As such, the CCG last year utilised this funding to support the delivery and development of Local Enhanced Services in primary care.

Historically, the services have been offered to practices in the hope that practices would choose to sign up to delivering them. Sign-up has not been compulsory, and therefore there have been some gaps in service provision. This project seeks to review the services commissioned, address the provision gaps, and make a proposal for the 2017/18 financial year.

One such LES was an incentive to practices to use the e-referral system (previously choose and book). In many CCG areas, this is no longer commissioned as the use of the e-referral system has become routine, and there are future plans to make electronic referrals the only acceptable method (By October 2018 at the latest).

2) The Approach taken for the review

A working group of 4 practice managers, and the Head of Primary Care for West Norfolk CCG was formed (the group). The group identified a number of factors relating to the current suite of services:

- Some of the services were not adequately funded, resulting in practices delivering these services at a loss
- It was vital to provide all patients with equity of access to the LES
- Continued financial pressures on practices would lead to an assessment on whether or not services were financially viable, potentially leading to a reduction in service or a movement of the work to secondary care.

The group agreed that a transparent approach would be taken in the review:

- All currently commissioned services to be reviewed, with the exception of near patient testing which would roll forward in the interim. This service requires a much more detailed review and will require significant clinical engagement and expertise.
- A transparent costing methodology would be used. This methodology would ensure that the actual costs incurred by a practice for delivering services are recognised. This would include staff costs including on-costs, non-pay costs, a recognition of overheads and a profit element.
- Open and honest dialogue around the staff time required and the non-pay costs incurred.
- Through working in partnership with the CCG, West Norfolk Health would assure that all patients would be able to access all services. This may involve practices in their locality areas working together to identify the most effective way of delivering services, not necessarily meaning that all practices would provide all services.

The group reviewed historic activity data supplied by practices and noted that there was significant variation in the activity levels. Particular variation was noted for the most recently commissioned service – "Treatment Room LES". The group felt that this reflected two issues:

1. The coding of activity in practices varies
2. The provision of services by practices is also varied

3) The Proposal

3.1 Local Enhanced Services

3.1.1 Services offered

The group did not add or remove any services from the 2016/17 list, but did decide that the activities previously covered under the "Treatment Room Bundle" should be considered as separate LES with their own specifications. They also decided that what was previously described as "wound care" should be split into two - complex dressings and simple dressings. See the end of this document for a full list of the proposed LES activities.

3.1.2 Payment for Services Methodology

The group developed a costed suite of services and associated service specifications for the LES scheme for 2017/18. The costs were built up to recognise:

- Staffing costs including on-costs at an estimated 25%. The time required to undertake each procedure was identified by staff member. 2 minutes of admin time and 2 minutes of receptionist time were assumed per procedure. The staff groups included were:
    - GP
    - Practice Nurse
    - HCA
    - Admin staff
    - Receptionist
- Non-pay costs were identified for each procedure

- A profit element at 15% has been included – the group felt that this was felt to be a reasonable margin, representing a reasonable return for the practice and value for money to the CCG.
- An overheads figure of 2.5% has been included – this was an estimated figure which the group felt reflected the level of overhead that could fairly be attributed to the services.
- A way of recognising the capital equipment required to provide the services.

3.1.3 West Norfolk Health Involvement

The draft proposal has been shared with West Norfolk Health, with feedback being largely positive.

It had been intended that the contract for the provision of the LES agreements would be with West Norfolk Health rather than with individual practices. Contractual issues and superannuation complexities mean that this is not currently a viable prospect. It remains the intention that a move to this model would apply once all of the factors have been resolved.

West Norfolk Health will have responsibility for providing the monitoring of the LES's and will challenge and validate practice activity. The CCG will retain accountability for this.

3.1.4 Financial Impact

The table below details the position comparing 2016/17 to the proposal for 2017/18:

Service/Related Cost	**2016/17**	**2017/18 Forecast**
Treatment Room LES	£360,573	-
Choose and book LES	£201,393	-
Near Patient Testing	£109,552	£111,818
All other Local enhanced Services	£871,859	£1,674,022*
Transitional payments	£79,147	-
Demand Management in Primary Care Agreement	-	£208,980
Equipment Costs	-	£37,000
INR Star	-	£20,000
Total Cost	**£1,622,524**	**£2,051,820**
Funding		
CCG Budget	£1,169,648	£1,181,545
15/16 PMS Release	£113,938	
16/17 PMS Release	£338,938	
17/18 PMS Release		£563,939
Total Funding	**£1,622,524**	**£1,745,484**
Balance	**£0**	**(£306,336)**

The table shows that the total proposed investment into Local Enhanced Services and the Demand Management in Primary Care Agreement for 2017/18 is greater than the 2016/17 by £429,296. The main reason for this is the readjustment to a realistic reimbursement for practices, as explained in point 2 above. * See Appendix 2 for the forecast broken down by type of LES.

This amount is partially offset by the need for the CCG to re-invest the released PMS premium monies for 2017/18, however as the release monies from two years were combined and used last year, the comparative additional amount of PMS release money available this year is £111,063

Additionally, the group felt that it was important that the costs of purchasing and maintaining capital equipment should be recognised. If all services requiring capital equipment were to be provided at all sites, the group calculated that the annual cost would be approximately **£37,000** for the whole CCG area. It is proposed that practices should be able to invoice annually for their proportion of the costs if they are providing the service. This is included in the table above.

There are also license costs associated with INR Star for the anti-coagulation service which would need to be invoiced by those practices providing anti-coagulation monitoring – this will be around **£15k- £20k** per annum in total, and is included in the table above.

It should be noted that although a cost pressure would exist in 2017/18, the amount released in 18/19 will increase again to £788,940, an additional £225,001 compared to this year

3.2 Demand Management in Primary Care Agreement

The group recognised that the existing LES for "Chose and Book" was no longer as relevant as it once was and accepted that a need to change how this funding was utilised existed.

The wider group were not involved in the development of the Demand Management in Primary Care Agreement – this document has been produced by the Head of Primary Care. The intention is that this agreement would be between the CCG and individual practices

West Norfolk Health will be engaged in the monitoring of the agreement as part of their wider engagement in meeting the CCG's Demand Management work stream.

The Committee approved this in May – it is currently out to consultation and will be revised to reflect feedback.

4) Risks & Issues

4.1 **Risk of forecast being too low** - The proposal creates a direct link between activity undertaken and the amount of income a practice would receive. Activity estimates have been built up based upon historic activity levels reported by practices. The activity is believed to be relatively robust, although the activity relating to services provided under the "Treatment Room LES" in 16/17 is believed to be less reliable due to it not having been recorded consistently in the past. The risk is that practices will claim higher than they have reported previously, increasing the cost pressure to the CCG.

4.2 **Cap not agreed -** The working group have been clear on the principle that the money should follow the patient and have been resistant to any capitation or block payments for the Local Enhanced Services. If there is a cap on activity, it is felt that there is a potential for services to be withdrawn leading to increased referrals to secondary care.

4.3 **Anti-coagulation calculation** - was previously paid on a per patient per year basis. The forecast makes the assumption that patients on warfarin will be tested on average 10 times per year. This may be under or overstated, thus presenting either a risk or a benefit.

4.4 **Specifications to be signed off** - The CCG quality team would like further detail to be added to the requirements in the specifications. The financial values and the general requirements would not change as a result of this, so this should not defer any decision.

5) Recommendation

The group recommends that suite of **Local Enhanced Services** are commissioned and paid for as described, and seeks approval to do so.

The committee is asked to consider a number of options to mitigate the cost pressure:

Options

Option A – Maintain previous year's payment basis, and increase the amount paid for the Treatment Room LES to recognise the increase in PMS Release.

Option A - if paid on 2016/17 Basis

Service/Related Cost	**16/17**	**17/18**
Treatment Room LES	£360,573	£562,505
Choose & Book LES	£201,393	£0
Near Patient Testing	£109,552.00	£111,818
Fixed payment LES	£660,117.29	£652,947
DVT	£44,567.00	£51,168
Minor Injury	£167,175	£174,600
Transitional Payment	£79,147	£0
Managing Demand Agreement	£0	£208,980
Total Cost	£1,622,524	£1,813,185
Funding		
Spent from CCG Budget	£1,169,648	£1,181,545
15/16 PMS Release	£113,938	
16/17 PMS Release	£338,938	
17/18 PMS Release (assuming higher figure is correct 0		£563,939
Total Funding	£1,622,524	£1,733,587
Balance	£0	-£28,430

Allocating out this year's PMS release in the treatment room LES, against the revised practice list size, would see an increase from £2.09 per head to £3.23 per head (£1.14 increase).

Alternatively some of this could be moved into the Demand Management Agreement to make this more attractive, rather than putting all the increase into just the Treatment Room.

Fixed LES changes are due to changes in list size, and number of patients in treatment as applicable. In particular Anti-coag was down at the end of last year in comparison to the previous year.

DVT and Minor Injuries numbers for this year are based on the same new forecast numbers for this year as shown above – i.e. based on April and May returns.

Risks & Issues

- Not what practices are expecting – reputational to be managed
- Small increase year on year, but due to list size increases

Option B - Pay on the New Rates, but cap activity/spend on a quarterly basis

These numbers would be as the previous paper, showing a shortfall of £320k.

Service/Related Cost	**2016/17**	**2017/18 Forecast**
Treatment Room LES	£360,573	-
Choose and book LES	£201,393	-
Near Patient Testing	£109,552	£111,818
All other Local enhanced Services	£871,859	£1,367,686 (capped)
Transitional payments	£79,147	-
Demand Management in Primary Care Agreement	-	£208,980
Equipment Costs	-	£37,000
INR Star	-	£20,000
Total Cost	**£1,622,524**	**£1,745,484**
Funding		
CCG Budget	£1,169,648	£1,181,545
15/16 PMS Release	£113,938	
16/17 PMS Release	£338,938	
17/18 PMS Release		£563,939
Total Funding	**£1,622,524**	**£1,745,484**
Balance	**£0**	**£0**

Risks and Issues

- Difficult to calculate, track and manage -sets up confrontation with practices
- Capping criteria would need to be developed
- Practices have previously indicated they were not prepared to accept this, and the Primary Care Commissioning Committee have also raised concerns if this was to be applied.

Option C – Review the New Rates, and see where savings could be made – e.g. reduce profit %

In approximate terms, the total profit element at 15% equates to circa £250k. Therefore, for every percentage point reduced, the potential saving is around £16.6k

If the margin were reduced from 15% to 10% the saving would be around £83k.

Risks and Issues

- Not what practices are expecting – reputational to be managed

Option D – Remove payment for some of the activities and payments

Options identified:

- PSA monitoring – on the basis that this could be argued to be part of doctors job to monitor results anyway
- B12 injections – on the basis that this is "routine", and should not need to attract extra payment
- Insulin initiation – as it is not universally offered
- Do not cover equipment costs
- Do not cover INR star costs

Service/Related Cost	**2016/17**	**2017/18 Forecast**
Treatment Room LES	£360,573	-
Choose and book LES	£201,393	-
Near Patient Testing	£109,552	£111,818
All other Local enhanced Services	£871,859	£1,466,646
Transitional payments	£79,147	-
Demand Management in Primary Care Agreement	-	£208,980
Total Cost	**£1,622,524**	**£1,787,444**
Funding		
CCG Budget	£1,169,648	£1,169,648
15/16 PMS Release	£113,938	
16/17 PMS Release	£338,938	
17/18 PMS Release		£563,939
Total Funding	**£1,622,524**	**£1,733,587**
Balance	**£0**	**-£53,857**

Risks and Issues

- Could result in increased referral to secondary care where services are no longer paid for.

Option E - Fund the increase spend by finding savings else where

Risks and Issues

- No proposals on the table as to what this might be
- Unclear if there are any reserves within the Primary Care budget that could be used

Option F – Agree the full increase in cost

Risks and Issues

- Significant cost pressure for which there is no identified funding within the CCG

List of Appendix

1. Suite of Local Enhanced Services (Appendix 1)

APPENDIX 1 Suite of the Local Enhanced Services

Service	Description	Offered in 16/17	Proposed for 17/18
Anti-Coag	Management of anti-coagulation therapy, including test, assess, dose and monitor	Yes	Yes
Phlebotomy	Routine blood tests for patients relating to their care managed by primary care	Yes	Yes
Post Op Dressing	Wound care and dressing following surgery under secondary provider	Yes	Yes
Post Op Stitches/Staples	Suture/ staple removal following surgery carried out by secondary provider	Yes	Yes
Near Patient Testing	Monitoring of patients, in particular rheumatology, where drugs being used need regular blood monitoring	Yes	Yes
Wound Care	Dressing change for any wound, not covered by post op above	Yes (as part of treatment room LES)	No
Complex Dressings	Complex would care which require 25 minutes or more to redress.	No	Yes
Simple Dressings	Dressing change for a simple wound	No	Yes
Ear Syringing	Removal of ear wax by simple irrigation	Yes (as part of treatment room LES)	Yes
ECGs	Electrocardiogram test to detect abnormal heart rates and rhythms	Yes (as part of treatment room LES)	Yes
PSA monitoring	Surveillance and interpretation of blood results relating to the treatment of prostatic disorders	Yes (as part of treatment room LES)	Yes
B12 Injections	Giving of B12 injections, including initiation and maintenance	Yes (as part of treatment room LES)	Yes
Insulin Initiation	Commencement of patients onto insulin therapy to control their diabetes	Yes (as part of treatment room LES)	Yes
Spirometry	Lung assessment, measuring how much air is inhaled, exhaled, and how quickly. Used to diagnose e.g. asthma, chronic obstructive pulmonary disease (COPD).	Yes (as part of treatment room LES)	Yes
Ring Pessary	Insertion, removal and renewal service provision for vaginal prolapse	Yes (as part of treatment room LES)	Yes
DVT – D-Dimer	Blood sampling and testing to acquire a D-Dimer for the identification/ruling out of a DVT	Yes	Yes
Minor Injury	Minor injury consultations to patients presenting within 48 hours of the injury taking place	Yes	Yes