

## **QUARTERLY REPORT – DECEMBER 2008** **SPECIALISED COMMISSIONING TEAM** **(WEST MIDLANDS)**

### **1. Purpose**

To update Board members on the work programme / key issues relevant to the host organisation for the Specialised Commissioning Team (West Midlands).

### **2. Introduction**

The Specialised Commissioning Team (West Midlands) is responsible for the commissioning of a range of specialised services on behalf of all West Midlands PCTs (via the West Midlands Strategic Commissioning Group chaired by Joanna Newton, Chair of Herefordshire PCT) and the local Pan Birmingham PCTs (via the Local Collaborative Commissioning Board chaired by Sophia Christie).

This report includes updates and progress on:

### **National Work Programme / Issues.**

#### **World Class Commissioning**

The DH is piloting the application of the World Class Commissioning assurance process for Specialised Commissioning arrangements in December 2008. North West Specialised Commissioning Group has been working with the DH on the pilot assurance process and it is expected all SCGs will be reviewed in the new year. This is likely to include assurance on the host PCT arrangement for Specialised Commissioning Teams.

#### **HSJ Awards.**

The Specialised Commissioning Team (West Midlands) was awarded a 'highly commended' in the category World Class Commissioning. The project involved was undertaken with the Black Country PCTs, networks and WMAS aimed at redesigning the care pathway for patients presenting with heart attacks in Dudley, Wolverhampton and Walsall. In its first year, the pathway was activated 646 times, with 449 patients treated with emergency angioplasty. In hospital mortality rates were below 3.5% and bed stay fell from 5.3 to 3.9 days.

## **West Midlands Work Programme / Issues**

### **Organs for Transplant – West Midlands Project**

On 16<sup>th</sup> January 2008 UK Health Ministers accepted the 14 recommendations of the Organ Donation Taskforce detailed in their report 'Organs for Transplants'. The aim is to improve organ donor rates by 50% over the next 5 years, resulting in an additional 1200 organs a year.

The West Midlands Strategic Commissioning Group working in conjunction with NHS West Midlands has been asked to join the national DH Programme Delivery Board for the implementation of the above recommendations and become a national pilot site.

### **West Midlands Mental Health and Learning Disabilities Procurement Framework.**

The process for procuring the provision of a secure / CAMHS Tier 4 framework of providers has just reached the conclusion of the Second Invitation to Participate in Dialogue Stage (ITP D2) which focussed on discussion and agreement of legal and commercial terms (including price). Only those bidders that meet the requirements of this second stage will be invited to the final Invitation to Tender Stager (ITT) on 19<sup>th</sup> December 2008. The award of contracts is planned for the end of February / March 2009.

The framework should be viewed within an overall procurement strategy whose key purpose is to define and improve working relationships with Providers in order to develop best practise in the management of choice, co-operation and competition, and to deliver best value and continually improve service quality.

### **Designation of Specialised Services and its Providers.**

The SCG will be considering the final draft of the West Midlands Strategy for designating specialised services and their providers (on behalf of all PCTs). The strategy is a commissioning tool outlined in the DH review of specialised commissioning arrangements (2006) and will involve a clear process for assessing providers against national standards / outcomes and other criteria e.g. patient pathways.

### **Neonatal Transport Services – Tendering 2009/10**

West Midlands PCTs have supported the development of a dedicated and specialised newborn transport service (which is a key feature of the national strategy for neonatal services). The current service has proved to be extremely successful with investment by PCTs in 2008/09 expanding the service to 24 hours a day delivering an average of circa 105 transports of babies per month.

Currently the service uses a mixture of the WMAS and a private transport company. The next step was to tender the service to secure a dedicated transport-facility.

The process is currently ongoing with the tenders currently submitted from bidders being evaluated. The award of the tender and commencement of the service is scheduled for early 2009.

**CAMHS Tier 4 Strategy.**

The final draft of the WMSCG CAMHS Tier 4 strategy is being presented to SCG for approval in December 2008.

In addition the CAMHS Tier 4 implementation group, chaired by Rob Willoughby (Government Office) has now formally signed off the completion of the implementation plan drawn up following the Independent Review of Birmingham Children's Hospital CAMHS Tier 4 service in 2007/08.

**Birmingham Children's Hospital NHS Foundation Trust.**

The Specialised Commissioning Team (West Midlands), supported by Sophia Christie as lead PCT Chief Executive, is now formally co-ordinating the work associated with the review of issues raised as part of the recent publicity associated with the Birmingham Children's Hospital NHS Foundation Trust (A separate update has been provided to all PCT Trust Boards).

Sophia Christie is chairing a short life performance Task Group (Paediatric Tertiary Clinical Performance Task Group) responsible for ensuring, on behalf of all commissioners, that the tertiary paediatric services provided are safe and offer the appropriate standards of specialist care and treatment. This information will form the basis of confident assurance to patients and their families and the wider public.

Commissioners have also developed a joint commissioner response and plan to oversee the delivery and actions of providers (and other stakeholders) in relation to identified concerns with regard to tertiary paediatric services.

The SHA has asked the Healthcare Commission to examine the concerns about paediatric tertiary services provided by BCHFT, as preliminary enquired in order to decide an appropriate course of action. A decision is expected before Christmas.

One of the areas of work which has resulted from the plan is a review of the Serious Untoward Incident reporting and the SCT(WM) is working closely with BEN PCT risk manager to review systems for reporting SUIs relating to specialised services (along the lines of work undertaken by the PCTs and HEFT).

### **3. 2008/09 Financial Position.**

#### **a. 2008/09 Financial Position**

SCT [WM] hosts both regional and 5 LCCB budgets on behalf of West Midlands PCT's totalling £837m including the emergency ambulance contract with West Midlands Ambulance Service.

The Table below shows the total budget managed by SCT [WM] plus forecast year end position by budget:

<b>Budget</b>	<b>Annual Budget (£000)</b>	<b>Year End Forecast Over/(Under) (£000)</b>
Regional (Tier 2)	415,968	39
Pan Birmingham LCCB	178,495	(277)
Shropshire/Staffordshire LCCB	81,543	(160)
Black Country LCCB	66,312	(304)
Coventry & Warwickshire LCCB	56,351	345
Hereford & Worcestershire LCCB	38,647	442
<b>Total</b>	<b>837,316</b>	<b>85</b>

The Regional Finance position includes higher than funded growth in admissions for forensic mental health patients, which are primarily within Independent Sector providers.

There has been an increase in neonatal intensive care activity, due to a rise in birth rates. Additional beds have been agreed at Royal Wolverhampton and Walsall Hospitals. Discussions for additional beds at University Hospital North Staffs, University Hospital Coventry and Warwickshire, Sandwell and West Birmingham and Heart of England are on going.

The SCT [WM] team are promoting home delivery of haemophilia factor products to reduce costs and improve quality, and have received national funding for the development of Burns services within the West Midlands (£1.5m).

The LCCB positions include increased cardiac surgery, implantable cardiac defibrillators (ICD) and specialised children's activity above plan. The LCCB are managing high cost cancer drugs within budget

An increased performance in renal transplant activity within the Region over 2007/08 and 2008/09 has reduced pressure on renal dialysis capacity in the West Midlands but plans are progressing for new capacity – based on 5%

growth per annum. SCT [WM] currently commissions renal dialysis services for over 3,000 patients at a cost exceeding £96m.

Additional radiotherapy activity has been commissioned at both University Hospital Birmingham and Royal Wolverhampton Hospitals to increase capacity for conformal radiotherapy with effect from September 2008. This has involved significant planning and recruitment of clinical staff.

## **b. 2009/10 Commissioning Intentions**

A strategic overview of the SCT's 2009/10 commissioning intentions was presented to all LCCB November Boards, with detailed funding requests issued on 26<sup>th</sup> November 2008. These detailed proposals have been presented to the December Board meetings, with a decision expected by PCTs in January 2009.

### **b i. Regional Priorities**

In 2009/10, the commissioning challenges faced by SCT in terms of financial investment and World Class Commissioning are far greater.

- Demand for forensic mental health capacity is expected to continue to grow with increased requirements within the Independent Sector, where the on going Procurement Exercise is expected to deliver significant quality and financial benefits.
- In 2009/10, the Regional Acute portfolio also faces a number of pressures with services where there has been lower than average investment over the last five years.
- The adoption of a national commissioning policy for pulmonary hypertension drugs to increase access will increase expenditure by £2.5m.
- The delivery of increased of the 13 week maximum out patient target in Genetics highlighted as a key requirement by David Flory, Director General, NHS Finance in November 2009 will require significant investment into regional capacity.
- There has been an average 8% per annum increase in demand for Neonatal critical care in the past 3 years with further increases projected over the next 3 years. The DHs establishment of the National Neonatal Task Force has confirmed the requirement to both increase capacity to match increasing demand and also to improve staffing rates.
- In addition to the above, there has been increased growth in neonatal demand and for the re-configuration of neonatal surgery into tertiary providers.

- The SCG paediatric intensive care review in 2007 confirmed the need to improve paediatric intensive care capacity by introducing a retrieval service – used elsewhere in the UK – to improve access to specialised PIC services within the Region.
- SCT proposals also include expanding BMT activity through innovative blood cord transplants for paediatric/adult patients, and a single regional trial for a new cardiac aortic valve procedure, PAVR.
- The Regional proposals represent a large volume of work to deliver excellence in tertiary and specialised services provided to patients in the West Midlands.

**b ii. LOCAL PRIORITIES**

There are a number of recurrent themes in 2009/10 Commissioning Proposals that have previously been presented to the LCCBs. The main focus of investment includes;

- Cardiac  
Primary PCI and Arrhythmia
- Neurosciences  
Growth and Coiling
- Renal  
Dialysis and Transplant growth
- Cancer  
Radiotherapy and High Cost Drugs

**c. Implementation of HRG4**

There are a number of technical finance issues relating to the implementation of HRG4 that will require further work to be completed during the period December 2008 – January 2009.

The impact of moving the underlying currency of the national tariff from HRG3.5 to HRG4 will need to be modelled for SCT and the PCTs by the CBSA so that the impact across the whole commissioning portfolio can be assessed.

Furthermore, SCT currently contracts on behalf of PCTs by treatment function code – which will not be feasible under HRG4 where the HRG will need to be linked to PCT or SCT commissioning arrangements.

This may require a material rebasing of PCT subscriptions to SCT within LCCB arrangements where the implementation of the new currencies for the national tariff will impact the most.

#### **4. Recommendation**

The Trust Board are requested to:

**NOTE** the quarterly report from the Specialised Commissioning Team (West Midlands).