

**REPORT TO MERTON CLINICAL COMMISSIONING GROUP
GOVERNING BODY**

Date of Meeting: 24th March 2016

Agenda No: 7.2

Attachment: 07

Title of Document: Merton Continuing Healthcare Decision Paper	Purpose of Report: Decision/Approval
Report Author: James Holden – Commissioning and Service Improvement Manager	Lead Director: Lynn Street Director of Quality
Executive Summary: See Overleaf	
Key sections for particular note (paragraph/page), areas of concern etc: Finance Section 4, page 5 Project Risks, Page 6	
Recommendation(s): The Governing Body is asked to: 1. Approve Option 2 - CLCH are commissioned to provide all elements of the continuing healthcare service. Merton and Richmond CCG share a management and quality assurance post for CHC. 2. If Richmond CCGs Governing Body approves an option that is incompatible with option 2 the Governing Body is asked to approve Option 3 - CLCH are commissioned to provide all elements of the continuing healthcare service. Merton CCG recruit to a full time internal management and quality assurance post for CHC.	
Committees which have previously discussed/agreed the report: February update provided to Merton Clinical Quality Committee 12/02/16 Senior Management Team – 14/03/16	
Financial Implications: The cost of running the service is likely to increase from 404k Effective financial and quality management of the service however could decrease the cost of CHC placements and packages A QIPP Project Initiation Document has been developed detailing the quality improvements and savings potential from recommissioning the service	
Implications for CCG Governing Body: N/A	
How has the Patient voice been considered in development of this paper: N/A	
Other Implications: (including patient and public involvement/Legal/Governance/Risk/Diversity/ Staffing) Risk Register number 1000: Significant poor performance of the continuing care service: 3x5 = 15	
Equality Assessment: N/A	
Information Privacy Issues: N/A	
Communication Plan: (including any implications under the Freedom of Information Act or NHS Constitution): N/A	

Executive Summary:

In light of the significant concerns over the operational, financial and governance arrangements with the current Continuing Healthcare (CHC) provider, South East Commissioning Support Unit (SECSU), Merton Clinical Commissioning Group (CCG) has explored alternative models for service delivery in the future.

On the 27 January 2016 a paper went to Part 2 of Merton CCGs governing body to present the future options of delivery for the service. The governing body approved the continued exploration of options 3a and 3b from that paper which were:

Option 3a: Commission a provider to deliver the Clinical Assessor role with management oversight provided by the CCG

Option 3b: Commission a provider to deliver the clinical assessor role across both Merton and Richmond CCG with management oversight provided by the CCGs

A new model for continuing healthcare (CHC) has been developed since the last governing body paper in January. Merton CCG has identified Central London Community Healthcare (CLCH) as the approved provider for the CHC service and have commenced negotiations. Merton CCG is currently working with CLCH to mobilise the new contract for community services in Merton. Merton CCG has also worked closely with Richmond CCG in the development of alternative models of delivery.

In order to provide greater oversight and assurance in the CHC process this paper recommends the development of a management oversight function within Merton CCG which will support the development of a 'selective panel process', ratifying CHC decisions and supporting the provider with quality assurance.

The South East Commissioning Support Unit (SECSU) will continue to deliver the CHC core function on behalf of Merton CCG and will assist with the transition from one service to another up until the end of Q1. The aim is to have the new service operational by 1 July 2016

The key concerns that Merton CCGs Governing Body need to consider are:

- Provision of a safe and good quality CHC service
- Value for money for the service and the individual packages of care
- Collection of robust quality and financial data so we can ensure the new provider is delivering a high quality service

Due to the short timescale to get a service fully mobilised we have not gone through a competitive tender exercise. Advice was sort from NHS shared services strategic procurement & commissioning support who confirmed that the approach taken carries very little risk and is typical of approaches elsewhere. We have assured value for money from benchmarking costs with other CCGs and are assured that the CLCH bid offers good value for money.

We have commenced discussions with CLCH regarding future service cost. It is clear that historically the service has been under resourced. To address the operational issues and monitor CHC expenditure, increased investment in the service is required going forward.

We now require the governing body to approve the service model and proposed new provider for the CHC service.

Merton Continuing Health Care Decision Paper March 2016

Executive Summary

This paper describes a new model for the delivery of continuing healthcare (CHC) in Merton. Merton Clinical Commissioning Group (CCG) has identified Central London Community Healthcare (CLCH) as the approved provider for the CHC service and has commenced negotiations. In order to provide greater oversight and assurance in the CHC process this paper recommends the development of a management oversight function within Merton CCG which will support the development of a 'selective panel process', ratifying CHC decisions and supporting the provider with quality assurance.

The South East Commissioning Support Unit (SECSU) will continue to deliver the CHC core function on behalf of Merton CCG and will assist with the transition from one service to another up until the end of Q1. The aim is to have the new service operational by 1 July 2016.

The key concerns that Merton CCGs Governing Body need to consider are:

- Provision of a safe and good quality CHC service
- Value for money for the service and the individual packages of care
- Collection of robust quality and financial data so we can ensure the new provider is delivering a high quality service

It has been identified that to address the operational issues and better monitor CHC expenditure, increased investment in the service is required going forward.

The Governing Body is asked to:

1. **Approve Option 2** - CLCH are commissioned to provide all elements of the continuing healthcare service. Merton and Richmond CCG share a management and quality assurance post for CHC.
2. If Richmond CCGs Governing Body approves an option that is incompatible with option 2 the Governing Body is asked to **Approve Option 3**: CLCH are commissioned to provide all elements of the continuing healthcare service Merton CCG recruit to a full time internal management and quality assurance post for CHC.

1. Introduction and Background

1.1 In light of the significant concerns over the operational, financial and governance arrangements with the current CHC provider, SECSU, Merton CCG has developed an alternative model for service delivery in the future.

1.2 We have reported continued challenges with the operational delivery of the CHC service to the Clinical Quality Committee on a monthly basis. The issue has also been escalated to the SWL Director of Commissioners (DoCs) Network. A chief officer and lead director working group was established in November to performance manage the current service and plan for the future delivery.

- 1.3 A service improvement notice was issued on behalf of all South West London CCGs and under the terms of the Service Level Agreement, the notice stated Merton CCGs intention to withhold 5% of funds payable to SECSU for CHC provision.
- 1.4 At the start of November the SECSU put forward a proposal for an increase in funds for CHC. In response, Wandsworth CCG undertook a caseload modelling exercise and concluded that with appropriate management and a properly staffed service an increase in funding could significantly reduce the CCG CHC overspends and address the backlog.
- 1.5 In November, 4 CCGs in South West London who commission CHC from SECSU wrote a joint letter rejecting the SECSU proposal and opted for CCG specific local solutions.
- 1.6 On the 27 January a paper went to the Merton CCGs governing body to present the future options of delivery for the service. The governing body approved the continued exploration of options 3a and 3b from that paper:

Option 3a: Commission a provider to deliver the Clinical Assessor role with management oversight provided by the CCG

Option 3b: Commission a provider to deliver the clinical assessor role across both Merton and Richmond CCG with management oversight provided by the CCGs

2. The Options

The potential options moving forward for Merton CCG are stated below.

Option 1: Merton CCG continue to the continuing healthcare function from the SECSU

Option 2: CLCH are commissioned to provide all elements of the continuing healthcare service. Merton and Richmond CCG share an internal management and quality assurance post for CHC

Option 3: CLCH are commissioned to provide all elements of the continuing healthcare service Merton CCG recruit to a full time internal management and quality assurance post for CHC

Benefit and Risk Appraisal of options

No	Option Description	Benefits	Risks	Total Cost per Annum '000'
1	The CSU continue to provide brokerage and assessment and reviews through a contract with Merton CCG. All elements of the CHC process are included	No benefit as a quality and financial risk identified in staying with the CSU.	1. Continued delays in assessments and reviews 2. Expenditure will continue to rise on care packages 3. No delivery of personal health budgets 4. Limited robust financial and quality data 5. Increase in recruitment and retention issues due to S W London changes to CHC in the CSU	Total cost of contract £404

2	Merton and Richmond CCG share a management and oversight post for CHC. CLCH provide all other elements of the CHC service	<p>1. A shared lead for management and oversight CHC across Merton and Richmond CCG provides opportunities to closely benchmark our service delivery with another CCG</p> <p>2. With CLCH providing the service this will allow for closer working with local hospitals, community and social service teams, including end of life care services. This will create efficiencies in assessment and review processes</p> <p>3. Of all the options moving away from the CSU, this is the most cost effective</p>	<p>1. Shared leadership across the 2 CCGs, there is a danger that they may develop different approaches but this is limited to tight national guidance.</p> <p>2. The cost of the delivery is higher than the CSU cost but will deliver greater savings in expenditure of care packages as more timely assessments and reviews in place</p> <p>3. Recruitment and retention of staff and high use of agency staff will be an issue but will be reduced through greater access to larger nurse teams across CLCH.</p>	<p>Costs Shared Management and oversight post £55</p> <p>CHC Service £561</p> <p>Total £616</p>
3	Merton CCG recruits to a full time management and oversight post for CHC. CLCH provide all other elements of the CHC service	<p>1. A specific lead for management and oversight for Merton gives a dedicated resource that can also provide support to the Children's CHC function as well as the new adults CHC function.</p> <p>2. Improve quality and efficiencies across the system.</p>	<p>1. A specific lead for management and oversight increases the cost.</p> <p>2. The cost of the delivery is higher than the CSU cost but is likely to deliver greater savings in expenditure</p> <p>3. Recruitment and retention of staff and high use of agency staff will still be an issue but should be reduced.</p>	<p>Costs Internal oversight and management post £110</p> <p>CHC Service £561</p> <p>Total cost of delivery £671</p>

Option 2 is the preferred option but is reliant on a decision at Richmond CCGs Governing Body.

Actual costs will be significantly higher in year 15/16 due to double running costs and transitional costs from the SECSU. These are detailed in section 4.

3. New Service Model

3.1 Since the last governing body paper we have developed a continuing healthcare model which increases oversight in the decision making process and provides a high quality timely service for Merton Patients. This will be implemented if option 2 or 3 is chosen for implementation.

- 3.2 CLCH are our prime choice for provider of the CHC service. They provide the service in other areas of London and by linking the function in with community services we can deliver a more integrated model of care for Merton patients. CLCH are able to provide all requested elements of the CHC service in line with the national framework, this includes co-ordinating assessments, undertaking review, case management and the sourcing of appropriate care packages.
- 3.3 Due to the short timescale to get a service fully mobilised we have not gone through a competitive tender exercise. Advice was sort from NHS shared services strategic procurement & commissioning support who confirmed that the approach taken carries very little risk and typical of approaches elsewhere. We have assured value for money from benchmarking costs with other CCGs and are assured that the CLCH bid offers good value for money.
- 3.4 Alongside an external provider we have looked to develop an internal function which will have a number of key responsibilities to ensuring the quality of the CHC process and improving the consistency of decision making:
- Coordinate and chair the “Selective Adult Continuing Healthcare Panel” for both Merton and Richmond CCGs
 - Ratify or refer to panel continuing healthcare checklists and decisions support tools
 - Undertake a periodic audit of fast track assessments
 - Provide a point of contact for the provider led continuing health care teams. Offering expertise in the CHC process for both Richmond and Merton CCG
 - Facilitate and troubleshoot discharges from acute beds and community interim beds for patients awaiting CHC assessment or package of care
 - Annual audit of cost/care package and provider quality (including developing and monitoring action plans)
- 3.5 We are also using this opportunity to make sure that the local authority social work teams are fully engaged with the continuing health care process. A number of patients that are deemed not eligible for continuing healthcare may be eligible for social services support and therefore it is important that social workers are engaged in the assessment of potential continuing healthcare patients.
- 3.6 The flowchart in figure 1 demonstrates the new process of assessing a patients eligibility for continuing healthcare.
- 3.7 After evaluating different panel and ratification options the instigation of ‘Selective Adult Continuing Healthcare Panel’ is the best compromise to ensure consistency in decision making but not to slow down the process of awarding a patient CHC funding. The multi-disciplinary team will make recommendations on eligibility of a patient for NHS funded continuing healthcare to the Head of Continuing Care for Merton and Richmond who will then make a decision whether it needs to be ratified at panel or can be ratified out of panel. Some of the reasons why a recommendation may be referred to panel include:
- cases which are not recommended as eligible for NHS continuing healthcare (for audit purposes or for consideration of possible joint funding)
 - cases where there is a disagreement between the CCG and the LA over the recommendation – this could form part of the formal disputes process
 - a sample of cases where eligibility has been recommended for auditing and learning purposes to improve practice. This could include a periodic fast track audit
 - cost of the proposed care package exceeds £100,000 per annum

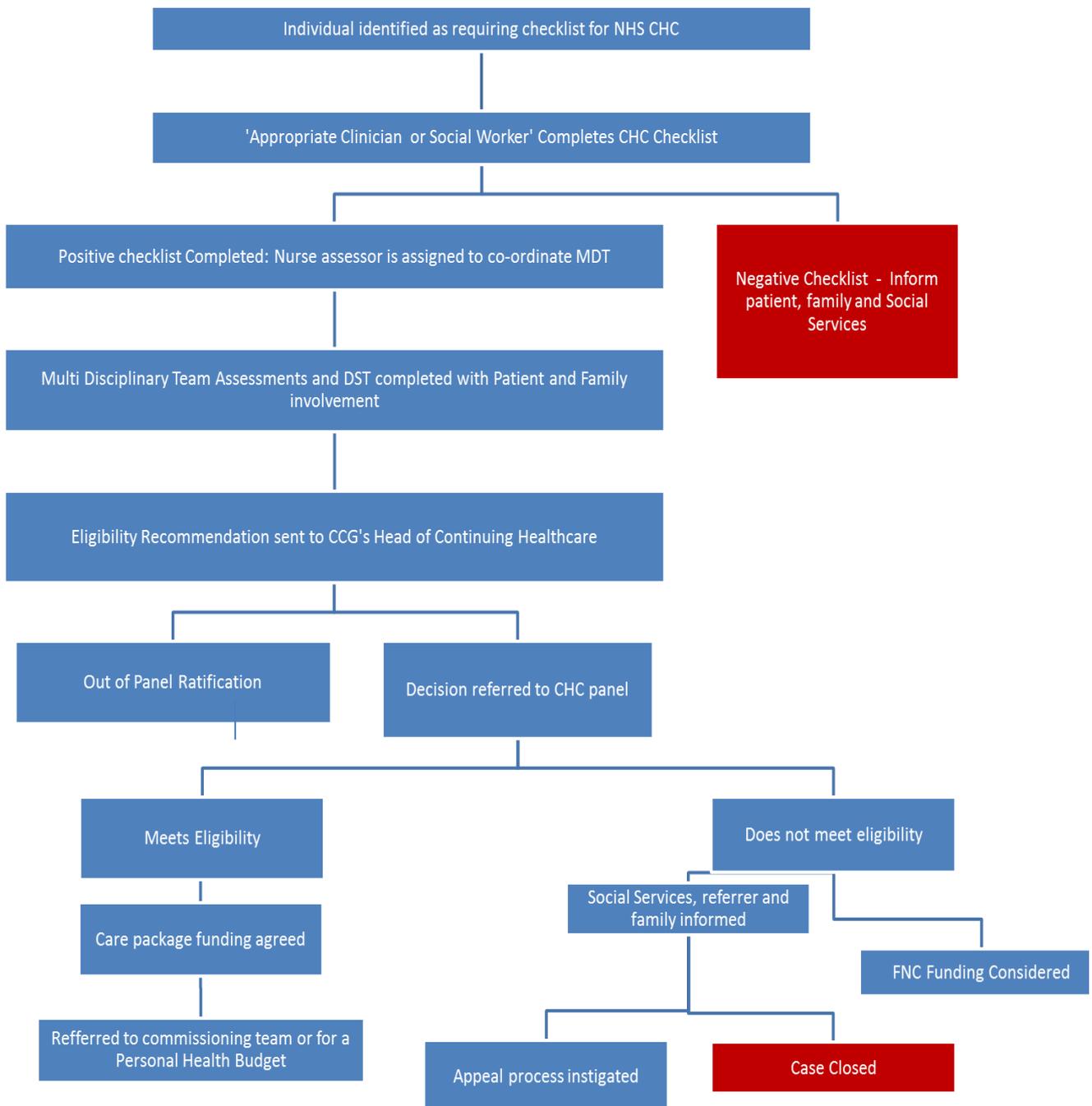


Figure 1

4. Finance

4.1 We have commenced discussions with CLCH regarding future service cost. It is clear that the service has been under resourced historically. CLCH have given an initial quote for the service of £560,841 per annum which is above the 14/15 budget of £404,000.

4.2 The following table therefore summarises the most costly prediction for the 16/17 CHC service. By investing in the service however we expect a significant reduction in the 21% year on year increase in patient spend as consistency of decision making improves. 16/17 pricing also includes some double running costs in the month of June.

Continuing Healthcare Pricing 16/17	Cost Estimates – option 2	Current Budget 15/16
SECSU Service Provision	£162,000 (Apr- Jun)	£403,617
CLCH	£467,500 (Jun-Mar)	0
CCG Internal Function (Jun – Mar)	£46,000	0
Total	£675,500	£403,617
Investment Required		£271,883

4.3 A QIPP project initiation document has been created that details the estimated net savings for 16/17 and 17/18 with the additional investment into the service provision.

5. Project risks

5.1 The redesign, recommissioning and transition of any service can have a number of risks attached. Due to the poor record keeping and operational performance historically of the incumbent provider and the short timescales to get a new service mobilised the risks associated to this project are high. Key risks are highlighted below:

Date identified	Description of risk	Mitigating action	Owner	Weighted risk factor post – mitigation
18/02/2016	Database information is of poor quality. Patients remain on the database long after date of death. Transitioning the service long after	DOQ has signed off the use of an interim lead nurse assessor to cleanse the data base by 26/02	JH	3X4 = 12
18/02/2016	Cost of the new service has not been agreed with new provider and therefore could be higher than forecast.	Commissioning Manager is working with the proposed new provider to negotiate a realistic and fair price for the new service	JH	2x4= 8
18/02/2016	Timescales to mobilise new service are short, service may not be fully mobilised in time	Regular updates will be provided to the project sponsor. Any timescale risks will be communicated to key stakeholders as soon as possible	JH	3X4 = 12

01/03/2016	Unable to recruit the number of staff required in the new CLCH model	CLCH to be informed of the number of staff TUPE as soon as possible so recruitment can commence as early as possible.	JH	3x4= 12
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6. Recommendation

The Governing Body is asked to:

1. **Approve Option 2** - CLCH are commissioned to provide all elements of the continuing healthcare service. Merton and Richmond CCG share a management and quality assurance post for CHC.
2. If Richmond CCGs Governing Body approves an option that is incompatible with option 2 the Governing Body is asked to **approve Option 3**: CLCH are commissioned to provide all elements of the continuing healthcare service Merton CCG recruit to a full time internal management and quality assurance post for CHC.

James Holden
Commissioning and Service Improvement Manager

14 March 2016