



Merton

Clinical Commissioning Group

REPORT TO MERTON CLINICAL COMMISSIONING GROUP GOVERNING BODY

Date of Meeting: 25th September 2014

Agenda No: 8.3

Attachment: 13

<p>Title of Document: IAPT Procurement Update Report</p>	<p>Purpose of Report: For review and note</p>
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<p>Executive Summary: This paper provides an update on the procurement of IAPT services under a new contract in 2015. It outlines the changes to the proposed model along with the reasons for these changes. It also provides an update on work to achieve the targets for this service in the current financial year.</p>	
<p>Key sections for particular note (paragraph/page), areas of concern etc: Section 3: Procurement of the new service</p>	
<p>Recommendation(s): The Merton Clinical Commissioning Group Governing Body is requested to review and note the update report.</p>	
<p>Committees which have previously discussed/agreed the report: A previous version of this report was reviewed by the Clinical Reference Group in August. This paper updated that report. The items described in this paper have been considered formally at meetings of the Merton CCG Executive Management Team.</p>	
<p>Financial Implications: The procurement of the new IAPT service assumes an increased budget of £1.5 million (increase of £0.3 million)</p>	
<p>Implications for CCG Governing Body: None at this time</p>	
<p>How has the Patient voice been considered in development of this paper: A stakeholder engagement event was held on 9 July 2014 and feedback from this event has been incorporated into the Service Specification for the new service.</p>	

<p>Other Implications: (including patient and public involvement/Legal/Governance/Risk/Diversity/ Staffing) None at this time</p>
<p>Equality Assessment: Feedback from the Merton CCG Equality and Diversity Officer has been incorporated into the Service Specification for the new service.</p>
<p>Information Privacy Issues: None at this time</p>
<p>Communication Plan: (including any implications under the Freedom of Information Act or NHS Constitution) A Communication Plan in being developed as part of the IAPT project plan</p>

IAPT Procurement:

Update Report for Merton Clinical Commissioning Group Governing Body

September 2014

1 Purpose

- 1.1 This paper provides an update on the procurement of IAPT services under a new contract in 2015. It outlines the changes to the proposed model along with the reasons for these changes. It also provides an update on work to achieve the targets for this service in the current financial year.
- 2.2 The Merton CCG Executive Management Team has been kept formally apprised, at all stages of the issues, processes and decision described in this paper.

2 Background

- 2.1 The national programme for Improving Access to Psychological Therapies (IAPT) was created in 2007 to improve access and outcomes for people with depression and anxiety disorders. The national targets for this service are:
- access – that 15% of the estimated population likely to have depression or anxiety enter treatment within any given year
 - recovery – that 50% of people who complete treatment move to recovery
- 2.3 The current contract for IAPT services for Merton CCG is held by the main secondary care mental health provider, South West London and St George's Mental Health NHS Trust, and is a joint service across Merton and Sutton. The contract has been extended a number of times beyond the original contract length. Performance is below the targets within the contract for both access and recovery rates, with the national targets now mandated at a higher level than in the current contract.
- 2.4 A paper describing the various options available to the CCG, and recommending a primary care mental health service which included an IAPT service, has been considered by the Clinical Reference Group (CRG). The model, which included non IAPT counselling and wellbeing services, along with bereavement counselling, was agreed by the CRG at its' March meeting.
- 2.5 The model agreed was substantially different from the Sutton CCG model and consequently the two CCGs agreed to procure the service separately. This resulted in some delay and the current contract has been extended to 30 September 2015 to allow the procurement to take place. Merton CCG has procured project management support from Kent and Medway CSU (KMCS), which recently supported the Kent and Medway CCGs to procure IAPT and which has significant expertise in this area. The recommendations in this paper are based on advice from KMCS.
- 2.6 As a result of the changes in the model, and the split of the service between the two CCGs, the re-tendering of the service had stalled. In order to meet the contract start date of 1 October 2015, therefore, the CCG will re-tender IAPT first as part of the

wider model (as described below), to meet the procurement deadline and achieve CCG quality premium targets.

- 2.7 Also of note with respect to this service is the introduction of a Payment by Results (PbR) tariff for Mental Health services in 2014/15. The currencies for the PbR tariff for most services for working age adults and older people are Mental Health Clusters, which were mandated for use from April 2012. Service users are assessed and allocated to a Cluster by their mental health provider.

3 Procurement of the new service

- 3.1 The current budget of £1.2 million for IAPT services is insufficient to meet the national target (based on the NHS England capacity model) and a budget of £1.5 million has been agreed for the new service in line with the capacity modelling.
- 3.2 As described in 2.6 above, the proposed model included non-IAPT counselling and wellbeing services (which do not contribute towards the national targets). There is insufficient funding in the current agreed budget of £1.5 million for the new service to expand it to include non-IAPT services. To meet the deadline of 1 October 2015 the Clinical Reference Group approved a proposal to take a phased approach to delivery of the overall model and an IAPT only Service Specification was approved by the CRG in August 2014.
- 3.3 The Service Specification addresses issues identified through the stakeholder engagement event held on 9 July. Some of the key concerns raised at the event were: the inability of the service to meet the needs of people with higher levels of need; poor communication with patients and referrers; waiting times and the high drop-out rate between referral and treatment; the lack of marketing and engagement with the wider population to generate self-referrals; links with wider wellbeing services and the voluntary sector; and the lack of engagement with/access for vulnerable groups such as people with long-term conditions and older people.
- 3.4 The procurement is now on track for a new contract to begin on 1 October 2015. An advertisement to attract potential providers was published in August 2014. A Market Engagement Event for potential providers was held in August and 12 organisations were represented at the event (which was well received).
- 3.5 Through discussions with Public Health Merton it has been established that many of the envisaged wellbeing services are already being delivered in Merton through the voluntary sector. Public Health have agreed to map the existing wellbeing services in order to identify any potential gaps, and with the intention of improving the link between IAPT and wellbeing, employment support and other services.
- 3.6 A separate bereavement service will be developed with links to IAPT for those patients who go on to develop depression as a result of bereavement. A budget of £60,000 is available for the provision of a bereavement counselling service which would provide the specialist support that cannot be provided by an IAPT service. The options for this service will be progressed separately.

- 3.7 The importance of addressing how the IAPT service separates safely from the secondary care service without people falling into a 'gap' between services is recognised. Consideration was therefore given to a further six month delay of the new contract to 1 April 2016, by which time there may be more national guidance around PbR for IAPT, the provision of care for people who need more than IAPT interventions secured, and an integrated primary care model explored. In light of the fact that the contract has already been extended beyond its original length, however, and with the significant progress that has been made with the procurement process, it is now thought that a further extension is neither required nor desirable.
- 3.8. To address the risk highlighted above, of patients falling into a 'gap' between services, work has commenced with the current provider to identify patients who may be affected and to resolve this issue before the new contract in place.
- 3.9. There needs to be absolute clarity regarding the provision of care for those people who require a multidisciplinary and personal care plan approach (PbR Clusters 4 and above) who have reported that the current IAPT service is not meeting their needs. From 1 July 2014 Mental Health Cluster information is included in the IAPT data set and it is expected that national reference costs will be collected for IAPT services based on MH Clusters. All providers are expected to 'cluster' their patients by March 2015, and this will have implications for the CCG in ensuring that any new provider taking over the delivery of the service from October 2015 is fully engaged and in a position to adhere to this (the current provider is also a secondary care provider with experience in this process so will be able to meet this requirement from March 2015). This does give secondary care providers an advantage as they are already clustering patients.
- 3.10 The Service Specification for the new service has been developed and agreed on the basis of the points set out above.

4 Performance of the current service

- 4.1 Based on the need estimated in the Psychiatric Morbidity survey of prevalence 2010, 3,644 people in Merton need to enter treatment to meet the national target of 15% for the proportion of people who enter treatment against the estimated level of need in the population.
- 4.2 The current provider of IAPT talking therapy services is contracted to meet a target of 13.5% of people with need entering treatment, and expects to reach 11.2% by September 2014. Discussions have begun with the provider about how it will reach 15% by March 2015 including any required resource and funding increases.
- 4.3 In Q4 2013/14 637 people entered treatment (10.5%). To reach the quality premium target 911 people (15%) need to enter treatment in each quarter. There is a high drop off rate between referral and entering treatment of 43% suggesting poor engagement with the service and a possible waiting list.
- 4.4 The latest performance data from the provider (July 2014) indicates an improvement in performance against required targets and a predicted trajectory that if maintained

will see the 'entering treatment target' of 15% reached by March 2015, leading to the CCG reaching the quality premium requirements. Indications are that the improvement is due to multiple factors including recruitment of therapists and more proactive marketing of the service; however this trend will be closely monitored.