

Merton Clinical Commissioning Group Governing Body

Date 6 June 2018

Report Title	Service arrangement for Merton Continuing Healthcare
Lead Director	Josh Potter
Author	Debbie Baronti

Purpose	Approval <input type="checkbox"/>	Discussion <input checked="" type="checkbox"/>	Noting <input checked="" type="checkbox"/>
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Executive Summary:

1. Following ongoing concerns with the Merton CHC Service which resulted in a service improvement notice in December 2017, CLCH gave notice to withdraw from the service. Given the necessity for a solution at speed, it was agreed that an interim contract, up to 31 March 2019, would be offered to the current Wandsworth CHC Provider to enable a period for service recovery and ensure the service is fit for purpose and ready for a joint procurement.
2. This report provides an overview of the current service arrangements for the provision of a Continuing Healthcare (CHC) Managed Service in Merton, the process to appoint an interim provider and the proposed approach for the joint procurement of the service with Wandsworth.

Key Issues:

1. There are data quality and process issues and a known backlog which resulted in a service improvement notice. The provider has now given notice to terminate the contract.
2. Given the necessity for a solution at speed and to enable a period of recovery to ensure the service is fit for procurement, an interim contract with the Wandsworth provider has been agreed as a direct award (subject to governance) for a period of 9 months.
3. The formation of a single LDU commissioning structure to support Merton & Wandsworth CCGs presents an opportunity to streamline the commissioning and contracting arrangements for CHC, whilst procuring a single high quality service provider.

Conflicts of Interest:

None identified

Recommendation:

The governing body is asked to note the contents and support the proposals outlined in this paper.

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Corporate Objectives This paper will impact on the following:	All
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Risk This paper links to the following CCG risks:	Risks on the Merton CCG register in relation to the provision of an effective CHC service
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Financial Implications	The costs of the interim service are anticipated to be covered within agreed budgets. There is a risk that we will identify increased CHC liabilities relating to the backlog of assessments; these costs would fall to us at some point in any case.
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Has an Equality Impact Assessment been completed	Not relevant in this case
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Are there any known implications for equalities	No
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Patient and Public Engagement and communication	Via this paper only
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Committees previously considered at	Merton Clinical Quality Committee monitored the performance issues relating to the CHC service and ongoing assurance will be via the shared quality committee. Because of timing and the urgency of the action required, FRC has not considered the single tender award for the interim arrangement but the Merton FRC chair has been briefed and at the time of submission chairs' action was being sought to approve the single tender waiver
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Supporting Documents	Paper
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Service Arrangement for Merton Continuing Healthcare

This report provides an overview of the current service arrangements for the provision of a Continuing Healthcare (CHC) Managed Service in Merton, the process to appoint an interim provider and the proposed approach for the joint procurement of the service with Wandsworth.

The Governing Body is asked to consider the issues outlined in this paper and support the proposed approach and timeline for the procurement.

Background

The process for establishing eligibility to NHS Continuing Healthcare (CHC) funding is determined through assessment and the application of the Primary Health Needs Test as set out in the NHS Continuing Healthcare Framework 2012 (to be revised October 2018).

Merton CCG (MCCG) is responsible for commissioning care to meet the level of assessed health needs where patients meet the eligibility criteria for fully funded NHS Continuing Healthcare. The level of an individual's health needs can change from time to time, therefore it is important that patients are reviewed regularly to ensure their care needs are being met appropriately.

It is important to ensure that the process undertaken to meet the CCGs statutory obligations is fully in line with the NHS Continuing Healthcare Framework 2012 (to be revised October 2018) and that decision making is timely, robust and transparent for all parties.

1. What is the current contractual position

The table below provides a summary of the current position of the CHC service in Merton CCG.

	Merton CCG
Current provider	CLCH
Current contract expires	March 2019
How was it awarded	Direct award - CHC element added to CLCH contract 07/16
Elements covered by the contract	Assessments Reviews - FNC & CHC & neuro-pathway for specialised neuro-rehab placements Validation of invoices Brokerage of Domiciliary care & Placements Implement PHB budgets Broadcare database Complaint management Local resolution of appeals
Annual core contract value	£560,841
Current contract status	Service Improvement notice issued 8 December 2017

	Provider has recently given notice to terminate (by March 2019 or sooner)
Total reported list	560
Database system used	Broadcare
FNC/CHC service budget 17/18	£13,571

In July 2016 Merton CCG added the CHC service to their existing CLCH community contract through a direct award following termination of the previous service provider. The agreement was for 3 years with an option to extend for a further two years.

2. What are the concerns with the current service?

A number of data quality issues have been highlighted with the service, including disparity between the costs recorded on the CHC database and the cost of care commissioned. Examples have been noted where agreed costs exceed those recorded on the system. This raises concerns about the accuracy of activity and financial reporting.

Issues have also been highlighted linking to compliance with the NHS Continuing Healthcare Framework and the timeliness of reviews. Work is ongoing to address the backlog however based on experience from the work previously undertaken it is possible that the backlog will increase once a data cleanse is completed.

3. Why are we proposing an interim contract?

Following ongoing concerns regarding the performance of the current CHC provider for Merton (CLCH) a service improvement notice was issued on 8 December 2017. In March 2018 CLCH gave notice to withdraw from the service. The notice period given by CLCH was 12 months in line with their contract but they asked MCGG to consider earlier termination.

In light of both CLCH's failure to deliver the agreed recovery plan and their subsequent indication to withdraw from the service and given the necessity for a solution at speed, the LDU Executive Management Team agreed (subject to agreement of a single tender waiver) that an interim contract should be offered to Care Home Select (CHS), the incumbent Wandsworth CCG provider, to immediately mobilise as a stand-in provider. Given the positive experience previously gained with CHS in Wandsworth it was felt this would enable a period for service recovery and ensure the service is fit for purpose and ready for a joint procurement.

4. How do we propose to transition the service?

In light of learning from a similar service transition we have proposed that the service is transferred and mobilised on a phased basis. The four proposed phases are shown in the tables below. On the basis of an agreed heads of terms CHS have already commenced building Merton CCG's Caretrack (the CHC database).

A transition board has been established chaired by the Deputy Director of Community, Children and Mental Health. CHS mobilisation and CLCH decommissioning plans have been shared and aligned. Data transfer agreements are currently being finalised with the support of the Information Governance team.

Phase 1

Phase	Indicative date	Summary of activity
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1	May – June 2018	Caretrack Build & Set Up Data transfer and full data cleanse of existing caseload Assessment & review backlog project set up
	May – June 2018	Commence Brokerage function

Phase 2 & 3

Phase	Indicative date	Summary
2	June 2018	Data and finance management Management of FNC, CHC and Fast Track cases and referrals
3	July 2018	Management of existing CHC & FNC caseload – full service

Phase 4

Phase	Indicative date	Summary
4	16 July 2018	Backlog of 3 & 12 month FNC reviews Backlog of 3 & 12 month CHC reviews*

It is proposed that we align the Merton service with the Wandsworth service specification and KPIs during the period of the interim contract.

5. Why are we proposing a joint procurement?

Wandsworth CCG commissioned their current CHC provider through a direct award. The direct award contract has been extended once and the current contract is due to expire on 31 March 2019. The interim contract award for Merton (to 31 March 2019) will bring the expiry for both contracts into alignment.

The formation of a single LDU commissioning structure to support Merton & Wandsworth CCGs presents an opportunity to streamline the commissioning and contracting arrangements for CHC, whilst procuring a high quality service provider. It is therefore proposed that a single CHC service provider covering both CCGs will be procured during 2018/19, with the new contract for the joint service going live on 1 April 2019.

Through a joint procurement to award a contract for a singular contractual solution we would seek to ensure:

- A sustainable, affordable, high quality service provider capable of delivering an end to end CHC service model across Merton & Wandsworth LDU delivering an effective and efficient service
- Improved quality - timely assessment & reviews in line with the revised CHC Framework (October 2018) and in accordance with NHSE delivery targets, improving outcomes and patient experience
- A consist approach across the LDU – aligning policies, processes for ratification and appeals
- Robust and accurate process of data recording and reporting
- Timely processing and approval of invoices
- Quality and value for money - this being an appropriate balance between quality and price.
- Full assurance to the CCGs in meeting their statutory obligations

It is anticipated the contract will be offered on the basis of 3 years with an option to extend for a further 2 years.

6. What are the options for procurement?

Whilst recognising the benefit of competition to drive best value for money, innovation and improved patient experience, it is noted that the delivery of an end to end Continuing Healthcare Service is a specialist market and this is likely to impact on the number of appropriately qualified providers bidding for the service. An options appraisal has been undertaken and a competitive process through a Call off Framework is the preferred option if a suitable framework can be identified. In the event that a suitable framework cannot be identified we will undertake exploratory and non-committal market engagement to signal the CCGs' commissioning intentions and warm up potential provider interest.

7. What is the indicative timetable for the procurement?

June/July	Market Engagement
June/July	Define new requirements
August	Competitive procurement bidding
September	Evaluation
October	Contact award decision
November	Due diligence and contract signature
December 2018 through March 2019	Mobilisation
April 2019	Service commencement

To enable a seamless transition of the service in the event that the contract is awarded to a new service provider, the LDU will ensure that the contract award is dependent on a focus on how mobilisation will be planned, resourced and overseen.

CONCLUSION AND RECOMMENDATION

The Governing Body is asked to consider the issues outlined in this paper and support the proposed approach and timeline for the procurement.