

## Appendix 1



**Morecambe Bay**  
Clinical Commissioning Group

Item for:	
Decision	X
Recommendation	
Information	

**AGENDA ITEM NO:**

<b>Meeting Title/Date:</b>	CCG Executive Committee		
<b>Report Title:</b>	Integrated Urgent Care Procurement Proposal Paper		
<b>Paper Prepared By:</b>	Tim Almond	<b>Date of Paper:</b>	10 <sup>th</sup> Dec 2019
<b>Executive Sponsor:</b>	Hilary Fordham	<b>Responsible Manager:</b>	Tim Almond
<b>Committees where Paper Previously Presented:</b>	n/a		
<b>Background Paper(s):</b>	n/a		
<b>Summary of Report:</b>	This paper is to provide the Executives with the background to the current contract position in relation to Out of Hours and Urgent Treatment Centres. It explores whether these services provide value for money and outlines the options available to the CCG in relation to how we contract and modernise the services from April 2021 onwards.		
<b>Recommendation(s):</b>	<p>The CCG Executive is asked to:</p> <ul style="list-style-type: none"> <li>Review the information in the paper.</li> <li>Discuss the options and agree a preferred option understanding all of the work that will need to be undertaken to address the efficiency differences</li> </ul>		
			<b>Please Select Y/N</b>
<b>Identified Risks:</b>	<ul style="list-style-type: none"> <li>Risk of non-delivery of the ED performance target by not having a supportive 'upstream' primary care service out of hours meaning that patients will attend the ED as opposed to community based services.</li> <li>Relationship risks identified from procuring a service.</li> <li>Financial risk as costs may increase through procurement.</li> </ul> <p>These are captured in Risk Register numbers 171 and 145.</p>		Yes
<b>Impact Assessment:</b> (Including Health, Equality,	All elements of impact assessment have been considered and all key stakeholders		

Diversity and Human Rights)	are working closely to develop a new clinical SOP and develop an enhanced UTC Service Specification to ensure high quality care is provided both in and out of hours and all patients are appropriately cared for in the right place at the right time and all clinical risk is mitigated.	
<b>Strategic Objective(s) Supported by this Paper:</b>		<b>Please Select (X)</b>
<b>Better Health</b> - improve population health and wellbeing and reduce health inequalities		X
<b>Better Care</b> - improve individual outcomes, quality and experience of care		X
<b>Delivered Sustainably</b> - create an environment for motivated, happy staff and achieve our control total		X
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## CCG Executives

### Integrated Urgent Care Procurement Proposal Paper

#### Purpose and Scope

This paper sets out the current provision of 'non-core' primary care services to Morecambe Bay CCG from PDS Medical (Lancashire North) and Cumbria Health on Call (CHoC) (South Cumbria) footprints. It then sets out the proposals for future contract / procurement options.

The overall aim of the proposal is to ensure value for money of each of the individual contracts, remove duplication where possible, consider the changes to national strategic drivers and ensure alignment and efficiency of all listed services.

#### Background

Current provision is as follows:

- Out of Hours - Standard NHS Contract – South Cumbria Service (CHOC)
- Out of Hours - Standard NHS Contract – Lancashire North (PDS)
- Urgent Treatment Centre - Alternative Provider Medical Services (APMS) Contract- Morecambe Bay Site

Both providers also contribute to providing the Extended Hours primary care services for the same footprints, but for the purposes of this paper, these elements are considered as out of scope due to the changes in funding flow arrangements as a result of Primary Care Network development.

Kendal UTC is also out of scope as it is now a part of UHMBT and forms part of the core urgent care offer from the Trust in-hours and is the only service of its type in that area. Without it, patients would stream either to the RLI or FGH Emergency Department.

The current contracts for all of these services are in the process of being agreed and extended to the 31<sup>st</sup> March 2021 to enable the CCG to agree its strategy for future procurement / contracting of them.

Out of Hours (OOH) contracts have been in place throughout the country, delivering *urgent* primary medical services outside of standard GP contractual hours (6.30pm to 8am weekdays and 24 hours over weekends and bank holidays), since approximately 2004 when

nationally GP contracts were changed and Primary Care Trusts (PCTs) were given responsibility for contracting OOH care.

Due to the historic PCT, and subsequent CCG, geographical boundaries the Out of Hours services for Morecambe Bay have been split and services delivered by separate providers to Lancashire North and South Cumbria populations. Whilst the Lancashire North CCG merged with the South Cumbria element of the previous Cumbria CCG in April 2017 the historic contracting arrangement for Out of Hours remained the same.

Whilst over the whole of this period of time the South Cumbria service has remained with CHoC contracted by North Cumbria CCG with the current Morecambe Bay CCG being an associate the Lancashire North service was tendered in 2009/10. The contract price was reduced and awarded to Assura Medical Ltd which was subsequently taken over by Virgin Care. After 2 years of difficulty Virgin Care wished to pull out of the contract and the CCG was left to negotiate a support pick up package with local providers. PDS Medical stepped into the situation with some additional funding and has provided a successful service since.

Over the last few months, discussions have been held with North Cumbria CCG in relation to their intentions to extend the current joint Out of Hours contract until March 2021. North Cumbria CCG have recently approved plans to extend the contract until March 2021 and more recently Morecambe Bay CCG - as a party to the contract – agreed this would also be a suitable approach for short term stability and formal contract extension paperwork has been issued to the provider to extend the contract for provision through to 31<sup>st</sup> March 2021.

In addition, a similar discussion has been held with PDS and as the sole contractor, Morecambe Bay CCG made the decision to extend their current contract until the same date.

Both Out of Hours providers are keen to continue to deliver the services beyond this date and are keen to work collaboratively with the CCG and other providers to allow services to develop and meet the needs of the local populations they serve.

#### **Current Position – Out of Hours provision**

Both providers offer core service provision as key elements of the contract and these are as follows:

##### CHoC

- I. Telephone advice and appropriate triage - advice to patients who either telephone directly or who are diverted from NHS 111;
- II. Home Visiting Service - To see patients in their own homes who require treatment

III. OOH Centres – To see patients who are fit to travel for treatment to 1 or more locations. Currently this service is provided from 2 centres in the south Westmorland General and Furness General Hospitals.

IV. CHoC provide OOH urgent primary care to the Millom community hospital.

V. Utilise technology to reduce patients to assist quicker diagnosis's, especially in rural locations;

VI. Work with system stakeholders to reduce ED referrals

### PDS

The service offer from PDS is broadly similar to that on offer from CHoC however, the premises used for service delivery are co-location in the Royal Lancaster Infirmary in the weekday evenings and the Queen Victoria Site in Morecambe in the evenings. In addition to the services outlined above, PDS also provide the Morecambe Urgent Treatment Centre on this site and receive direct bookings from the NHS 111 service.

Both providers operate the standard hours of 18:30 to 8:00 on weekdays, from 18:30 Friday to 08:00 Monday, and for 24 hours on all bank holidays and public holidays.

Both the local Morecambe UTC and Out of Hours services across both footprints are generally well liked by local communities with very few complaints being received about the service delivery

Both OOH providers are subject to the National Quality Requirement (NQR) standards. There are 12 NQR standards which all OOH providers are measured against and both providers have achieved strong compliance against these standards this last year.

CHoC has shown recent difficulty in compliance with NQR rating 12 in terms of home visit compliance within 1 and 2 hours – however, the performance is showing an improving position more recently and was impacted by increased call volume requiring home visits (last quarter increase by 54%). CHoC have responded by re-profiling staffing to meet forecast new demand. The CHoC current CQC rating is outstanding.

PDS have been running at activity over plan for the last 12 months but are still showing compliance with the NQR standards and patient satisfaction rates in NQR 5 are still high (>95% satisfied). The NQR 12 home visit performance is currently running at around 95% with a fall off against the 6 hourly home visit metric. However, in a similar vein to CHoC, PDS are monitoring increased activity in this area and mapping additional capacity to this current demand. The current PDS CQC rating is good for both OOH and the UTC.

The latest performance reports for both providers can be found at **Appendix 1**.

## **Out of Hours Cost comparisons**

The current cost of the out of hours services are as follows:

PDS Medical contract cost - £1,848,000

Cumbria Health on Call contract cost - £3,652,000

The table overleaf sets out the cost comparison per head of population for the two current providers and a number of other areas for whom we have managed to obtain the relevant information.

**Table 1 – Cost per head comparisons**

<b>CCG Footprint</b>	<b>Cost Per Head of Registered Population</b>
Greater Preston CCG (inc AVS)	xxx
CHoC – South Lakes (to include an AVS in hours)	£17.73
Chorley & South Ribble CCG (inc AVS)	xxx
Herefordshire CCG (Rural)	xxx
South Tyneside CCG	xxx
PDS – North Lancashire (AVS in OOH only)	£10.47
Blackburn with Darwen CCG	xxx
East Lancashire CCG	xxx
West Leicestershire CCG	xxx
Heywood Middleton and Rochdale CCG	xxx
Barnsley CCG	xxx

These costs are indicative and the comparator CCGs are just for the OOH provision unless otherwise stated, they do not generally incorporate UTC delivery costs. For the purposes of the CCG Governing Body, other providers have had their unit cost protected as this document will enter the public domain and we have explicit permission to share these.

The cost of the current PDS Out of Hours contracts is broadly in line with other contracts across the country. However the CHoC costs are higher, although we are in the process of agreeing with CHoC to provide the Acute Visiting Service (AVS) within the cost envelope which will bring it in line with the costs for Preston and Chorley.

It is worth noting that the cost for Primecare (the OOH provider in rural Herefordshire CCG) is for a single site solution for a dispersed rural population. Whilst appearing more expensive per head of registered population, the CHoC costing allows for a dual site approach across a significant geography in addition to operating a headquarters in Carlisle. Furthermore, CHoC operate 4 vehicles for the on-shift GPs who need to perform home visits to ensure compliance with National Quality Standards with an associated increased medical provision cost for each shift to ensure clinical quality and safety across the South Lakes and Furness footprint.

In addition, the South Lakes footprint that CHoC covers is subject to a significant tourist population throughout the year and as such CHoC numbers are swelled significantly by picking up work from this transient population (15.8 million tourists per annum according to the Lake District Tourist Board).

### Morecambe Urgent Care Treatment Centre

The Morecambe Urgent Treatment Centre (UTC) was originally commissioned in response to the Lord Darzi Report published in October 2007 which stated that over £250million would be invested within the NHS to create 100 more GP practices nationally in the most deprived and in need areas. These practices were commissioned under Alternative Provider Medical Services (APMS) contracts and the Morecambe Bay site was opened as a Same Day Health Centre in Morecambe, following considerable discussion and consultation with the local practices.

The UTC sees approximately 20,000 patients per annum at a total annual cost of £1.2million. This equates to approximately £60 per patient attendance. The provision at the outset was focused on:

- Accepting urgent on the day patients from the local practices who did not have the capacity to see them (the additionality element of the new Darzi practice).
- Referrals from NHS 111 as it developed.
- Walk-in patients

Subsequently the service has developed other features to support the system:

- Taking ambulance cases.
- IV therapy provision
- D-Dimer provision

When the national Strategy for Urgent Care was published the Same Day Health Centre satisfied the initial national service specification to enable it to transition to a be a UTC in the summer of 2018.

In a similar nature to the OOH service, the UTC is broadly well received by the public in the North Lancashire area and receives few complaints. Between the 1<sup>st</sup> April and 1<sup>st</sup> December 2019, the Morecambe UTC has seen 2,350 type 3 eligible patients and has a 100% compliance rate with the national 4 hour target. This equates to 2.8% of all activity which contributes to the overall UHMBT ED performance target for this period.

Work is ongoing with PDS to review the current service offer with a view to enhancing the service based on the needs of the local demographic and this is being driven as part of the A&E Recovery Plan which was agreed at the A&E Delivery board in August 2019.

A number of locally defined outcomes have been developed in relation to the urgent treatment centre service, some of which are outlined below:

- People are seen, treated, and discharged on the same day in an urgent care service close to their own home.
- Greater integration between community urgent care service and services delivered in the community facilitated by the stronger links with primary care practitioners enabling individuals to be referred more rapidly and seamlessly to relevant pathways, and improving access to community-wide responses to people's care needs.
- A reduction in travel times (including 999 journey times) for some patients who will be able to access urgent care close to their homes.
- Fewer people will need to travel by ambulance to acute hospital Emergency Departments.
- Fewer people will need to attend an acute hospital Emergency Department.
- Fewer people will be admitted at acute hospital sites, with more people being admitted to a local shorter stay bed closer to their home.
- Improved ambulance response times; an urgent treatment centre will improve ambulance service capacity, saving unnecessary journeys and freeing up crews and vehicles to respond to urgent cases.
- Greater integration between community urgent care service and services delivered in the community facilitated by the stronger links with primary care practitioners enabling individuals to be referred more rapidly and seamlessly to relevant pathways, and improving access to community-wide responses to people's care needs.
- Increasing the interdependency, networking and mutual support of primary and secondary care practitioners, with a gradual transfer of skills, knowledge and shared competencies creating a more integrated and flexible workforce over time.
- To reduce the current levels of potential risk to patient safety resulting from the lack of clarity on opening hours and relationship with the CHoC service.
- To improve patient and colleague experience through investment in additional staffing and reducing activities currently being delivered in the UTC that should be delivered elsewhere in the system.

The UTC at Kendal (co-located on site at WGH) transitioned from the ownership of Cumbria Partnership Foundation Trust (CPFT) to the responsibility of UHMBT from 1<sup>st</sup> April 2019. The Kendal UTC for this reason is out of scope as it falls into the broader acute trust contract. It should be noted though that a similar piece of work is ongoing in terms of identifying improvements from this facility.

### **Additional Benefits**

In addition to the core contracted services which the CCG funds, there have also been additional service enhancements which have been implemented or are in the process of being implemented in both the Lancashire North and South Lakes footprints, which are currently being provided at no additionality through the contract. These services are:

- Acute Visiting Service – CHoC provision for South Lakes patients
- Acute Visiting Service – PDS provision for North Lancashire Patients

- Agreement to support care homes in the outbreak of flu – PDS
- Additional support to Bay Medical Group by providing dressing changes at weekends - PDS
- Additional ad hoc services by PDS such as D-Dimer testing at the UTC in Morecambe

Whilst these services are currently provided without additional cost, they would need to be factored into any re-procurement exercise given the infrastructure that is currently supporting them is based within other CCGs. For example East Lancashire has just commissioned an Acute Visiting Service to the value of £460,000 per annum.

There is a risk that if procurement was undertaken these un-costed services would have to be factored in and would increase the price to deliver the same services as we have now. There is also the risk that the two incumbents would potentially be successful in providing any future procured service and we would have increased our costs to have an identical service, whilst at the same time potentially fracturing relationships by putting providers through a formal procurement process.

When considering a future model, it is also necessary to consider that a different provider for the South Lakes OOH service will have an inevitable destabilising and likely cost impact on North Cumbria CCG and many of our current efficiencies are predicated on the scale of the current contract across Cumbria which allows for a degree of resource flexibility.

### Options Appraisal:

The following section sets out the possible options the CCG could consider improving cost efficiency and agreeing future provision arrangements together with the pros and cons associated with each one.

Proposal	Pro's	Con's
<i>1. Put both contracts out to the open market</i>	<ul style="list-style-type: none"><li>• Opportunity to develop the contract to the needs of the local population</li><li>• Additional providers to the marketplace may stimulate innovative offers</li><li>• Opportunity for collaborative working with neighbouring providers</li></ul>	<ul style="list-style-type: none"><li>• Fragmented approach to contract delivery</li><li>• Doesn't sit with CCG strategy of delivering services once across the footprint</li><li>• Potentially costly approach going to market for two separate services</li><li>• Risk that a new provider would be a retrograde step on current incumbent</li><li>• Cost of 'un-costed' services from current providers would drive the procurement contract cost up to deliver a like-for-like service</li><li>• Time consuming procurement approach running two separate bids and subsequent increased administration once contract awarded</li><li>• Risk of destabilising the broader Cumbrian provision if a new provider was successful in winning the contract in the South Lakes</li></ul>
<i>2. Combine contracts and procure a single solution</i>	<ul style="list-style-type: none"><li>• Opportunity to centralise contracts</li><li>• Potential to reduce costs through single provider provision</li><li>• Ability to clearly define requirements of service/s in new contract which takes into</li></ul>	<ul style="list-style-type: none"><li>• Risk that a new provider would be a retrograde step on current incumbents</li><li>• Cost of 'un-costed' services from current providers would drive the procurement contract cost up to deliver a like-for-like service</li></ul>

Proposal	Pro's	Con's
	<p>account service development needs</p>	<ul style="list-style-type: none"> <li>• Formal procurement approach could be time consuming and costly</li> <li>• No guarantee other providers would be interested in entering the market</li> <li>• Likelihood we would end up with exactly what we have now, only paying more for the current service and have risked fracturing good will which has been built up over the years.</li> <li>• Risk of destabilising the broader Cumbrian provision if a new provider was successful in winning the contract</li> </ul>
<p>3. <i>Work with current contract providers to negotiate new contracts from April 2021 and include appropriate service development (SDIP) schedules</i></p>	<ul style="list-style-type: none"> <li>• Opportunity to modernise the contract to the current and future demographic needs</li> <li>• Strong relationships pre-exist with current providers</li> <li>• Ability to keep costs in line with current expenditure</li> <li>• Current contracts represent value for money in line with similar providers in similar localities</li> <li>• Opportunity to explore cross-bay relationship building with both providers to share best practice and standardise service offers as both providers have excellent relationships with each other.</li> <li>• Negotiating a new contract with the incumbent providers would be less time consuming than any form of procurement.</li> </ul>	<ul style="list-style-type: none"> <li>• No ability to 'test the market'</li> <li>• Significant piece of contractual administration to refresh the contract</li> <li>• Potentially reduces the scope for innovation at the point of procurement</li> </ul>

There are significant advantages and disadvantages to each option. Based on analysis of cost alone it would appear the service in South Cumbria is much more expensive, but there are rurality issues to take into consideration. Additionality and impact relationships need to be considered as part of any discussion about procurement.

Option three with a fall back of procurement if better value money cannot be gained may be an option to consider which would maintain the positives whilst being open with providers on the need to improve efficiency.

### **Recommendation**

The CCG Executive is asked to:

- Review the information in the paper.
- Discuss the options and agree a preferred option understanding all of the work that will need to be undertaken to address the efficiency differences.

**Tim Almond**

Senior System Manager – Urgent Care

### **Appendices**

#### **Appendix 1: NQR Reports from CHoC and PDS**



PDS NQR August  
19.pdf



PDS UTC October  
2019.pptx



CHoC NQR Q1.pdf



CHOC NQR Q2.pdf

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