



**PWYLLGOR ARCHWILIO A SICRWYDD RISG  
AUDIT AND RISK ASSURANCE COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 February 2020
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Update on Private Practice (Response to Internal Audit and Wales Audit Office Reviews)
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Andrew Carruthers, Director of Operations
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Andrew Carruthers, Director of Operations

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

The purpose of this update is to provide a final closure report to the Audit & Risk Assurance Committee (ARAC) that the University Health Board (UHB) is ensuring control and governance of its private work; and accordingly to provide assurance.

**Cefndir / Background**

The UHB has previously taken decisions to both continue providing private patient work and to outsource the management and administration of the service. These decisions were made in the context of receiving a “no assurance” rating from an Internal Audit (IA) review (August 2014). After a procurement process which complied with the necessary requirements, Messrs. TPW Ltd were appointed as the UHB’s partners in this respect.

The Audit & Risk Assurance Committee (ARAC) have received regular updates on progress since that time, with the last update provided in August 2018. Since that time, the Business Planning and Performance Assurance Committee (BPPAC) received a progress update in June 2019. As a result, the Committee requested that ARAC receive a closing report, in respect of the internal audit recommendations.

**Asesiad / Assessment**

The following table sets out the actions that were put in place which ultimately led to the closure of the Internal Audit Report in October 2018. That being said, governance processes are continually being reviewed and refined as a result of monthly meetings involving finance, central operations and Messrs. TPW Ltd. As a result of these monthly reviews, the risk score has recently been reduced to 6 (3 x 2).

	Recommendation	Agreed Action
1.	<p>Based on the level of income generation, and the administration costs, of private practice at HDuHB, management should consider whether it is feasible to continue offering private treatment within the Health Board.</p> <p>Should the decision be made to continue to offer private treatment, a central administration point should be established; through which all private patients must be registered. The administration point should feed the necessary income collection information through to the Finance department.</p>	<p>The central operations team are operating as the central administration point for private practice within the Health Board.</p> <p>Monthly meetings are now routinely held between central operations team, TPW Ltd, and finance. Processes are constantly being reviewed and refined to ensure:</p> <ul style="list-style-type: none"> <li>• Finance have received correctly completed undertake to pay forms (UTP) on which to invoice;</li> <li>• UTP forms are reconciled to the monthly Welsh Patient Administration System (WPAS) private patient activity report;</li> <li>• Finance income report correlates to UTP and/or request to raise a bills forms;</li> <li>• Tariff costs have been applied correctly;</li> <li>• All activity variances/queries are followed up with the respective departments and consultants.</li> </ul>
2.	<p>Should the decision be taken to continue to offer private treatment, a consistent pricing structure should be adopted across all areas of Hywel Dda University Health Board.</p> <p>A full review of costs should be undertaken to ensure the Health Board's prices take into account all elements of the service provision.</p>	<p>TPW Ltd. used its broad private patient market knowledge, and in April 2019 proposed an alternative pricing structure for the Health Board to use in place of the previous 3 legacy tariffs that were previously in use.</p> <p>The 'commercial in confidence' tariff was authorised for use by the Finance Committee in July 2019.</p>
3.	<p>Should the decision be made to continue to offer private treatment, the practice of raising invoices to private patients, on behalf of Consultants, should be reviewed to ensure all Consultants are offered a consistent level of support by the Finance Department.</p>	<p>The central operations team approaches consultants directly, as and when private patient activity arises.</p> <p>The then Clinical Director for Scheduled Care (now Deputy Medical Director) formally wrote to all consultants in July 2019, informing them that the Health Board would be reviewing practices around the provision of private care. Consultants were asked to complete a "Consultant Private</p>

		Practising Privileges Application Form” and submit a copy of their indemnity insurance if private practice is undertaken.
4.	All Staff who input information onto the Myrddin system should be trained to ensure the appropriate information is recorded when a private patient is input onto the system.	Myrddin (now WPAS) trainers are in place across each site, and as part of training staff are shown where on Myrddin to record a private patient. Central operations provide feedback to trainers where the status of either NHS/Private Patient has been selected incorrectly. Trainers are requested to contact staff members to ensure future information is correctly applied.
5.	Regular checks should be undertaken to ensure all private patients recorded on the Myrddin system are issued with invoices, as appropriate.	Refer to recommendation one, and noted action.
6.	In line with regulations governing private practice, a list of Consultants engaging in private work, internal and external to the Health Board, should be maintained.  Regular monitoring should be undertaken to ensure no conflicts of interest arise between contracted NHS work and private practice.	A register of consultants undertaking private practice within the Health Board is being maintained by the Central Operations team.  Received Private Practice Privilege application forms and copies of indemnity policies are reviewed prior to authorisation by the Clinical Director.  A consultant’s private practice activity is notified to the relevant Service Delivery Manager. This will be reviewed at the annual job plan review.
7.	Should the decision be made to continue to offer private treatment, a monitoring process should be established to ensure private patients do not enter the NHS waiting list at an advanced stage.	Waiting list co-ordinators are fully aware of the rules that when a previous private patient transfers over to a NHS waiting list, NHS patients cannot be displaced. This has been reinforced via the release of the Elective Care – Patient Access Policy and online Referral to Treatment (RTT) training tool.  The Private Patient policy will also reference the Access policy rules. A patient’s position on the waiting list is routinely monitored by the central operations team.
8.	Should the decision be made to continue to offer private treatment, the Health Board’s procedure must be reviewed, and an up-to-date	TPW Ltd are currently finalising the Private Patient Policy and administrative procedure. It is anticipated that global consultation will be undertaken during February 2020. The Policy

	<p>procedure put in place.</p>	<p>will be supported by both a clear operational process and financial procedure.  In addition to the above, the following has been undertaken:</p> <ul style="list-style-type: none"> <li>• To ensure visible communications, both a generic email and an intranet page will be established.</li> <li>• A set of revised forms have been devised for consideration, inclusive of UTP and the implementation of a charge sheet.</li> </ul>
<p>9.</p>	<p>A monitoring process should be established to ensure private practice governing rules and regulations are adhered to.</p>	<p>The Clinical Director wrote to consultants in February 2017, reminding them of the governance arrangements that need to be followed. To include:</p> <ul style="list-style-type: none"> <li>• The 8 principles that should underpin private practice;</li> <li>• With immediate contemporaneous effect, inpatient surgical private practice was suspended due to current bed pressures and to ensure NHS patients would not be displaced;</li> <li>• Outpatients and diagnostic work could continue;</li> <li>• In the interim period whilst new arrangements were being worked through, day case work could continue but pre-approval would be required from the Clinical Director;</li> <li>• Where approvals have been cleared, patients would be required to sign an agreement form.</li> </ul> <p>The above are routinely reviewed during monthly meetings; also, the Private Patients Policy will clearly articulate the rules and regulations that must be followed.</p>
<p>10.</p>	<p>A formal notification must be made to the Consultants involved in this practice to stress that using Health Board headed paper to bill for private work they have undertaken is not permitted.</p> <p>The correct procedures to follow when engaging in private practice must be reiterated to all Consultants.</p>	<p>The Private Patients Policy and administrative procedure will provide clear instructions on the rules and regulations to be followed.</p> <p>Monitoring will be provided by the central operations team.</p>
<p>11.</p>	<p>The arrangement of transferring stock</p>	<p>Instructions have been sent to all departments,</p>

<p>items to and from Werndale Private Hospital should cease with immediate effect.</p> <p>Any future inter-hospital stock purchasing or selling must first be discussed with the relevant Executive Director(s) prior to being agreed.</p>	<p>indicating that any practice of lending/selling to Werndale (now BMI Healthcare) was to cease with immediate effect.</p> <p>A Service Level Agreement (SLA) is now in place with BMI Healthcare, for the reprocessing of instrument sets.</p> <p>The Private Patients Policy will be clear about this and will reference the SLA.</p>
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**Argymhelliad / Recommendation**

The Audit & Risk Assurance Committee is asked to receive this report as a final iteration and as a source of assurance that the required progress has been made to ensure control and governance of its private practice work.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
<p>Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor</p>	<p>4.1 The purpose of the Audit &amp; Risk Assurance Committee is advise and assure the Board and the Accountable Officer on whether effective arrangements are in place, through the design and operation of the UHB’s system of assurance, to support them in their decision taking and in discharging their accountabilities for securing the achievement of the UHB’s objectives, in accordance with the standards of good governance determined for the NHS in Wales.</p> <p>4.2 The Committee independently monitors, reviews and reports to the Board on the processes of governance, and where appropriate, facilitates and supports, through its independence, the attainment of effective processes.</p> <p>4.3 Where appropriate, the Committee will advise the Board and the Accountable Officer on where, and how, its system of assurance may be strengthened and developed further.</p> <p>The Committee’s principle duties encompass the following:</p> <p>4.4.1 Review the establishment and maintenance of an effective system of good governance, risk management and internal control across the whole of the organisation’s activities, both clinical and non-clinical.</p>
<p>Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:</p>	<p>Central Operations Private Patients - 63</p>

Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability 3.4 Information Governance and Communications Technology 3.5 Record Keeping 7.1 Workforce
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. 5. Deliver, as a minimum requirement, outcome and delivery framework work targets and specifically eliminate the need for unnecessary travel & waiting times, as well as return the organisation to a sound financial footing over the lifetime of this plan
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Improve efficiency and quality of services through collaboration with people, communities and partners

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Internal and External Audit reports alongside significant references as set out in the review report.
Rhestr Termiau: Glossary of Terms:	Included within the body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Executive Team (January 2018) BPPAC (June 2019)

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Opportunity exists in relation to private practice activity.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Potential for private work to de-prioritise NHS care.
<b>Gweithlu: Workforce:</b>	The ability to promote private work provides some incentive for consultants to work for the University Health Board. There is also a risk that NHS resource is used for private work and costs are not fully recovered.
<b>Risg: Risk:</b>	There are various legal requirements.
<b>Cyfreithiol: Legal:</b>	There are various legal requirements. The Board must ensure the generation of additional income to support NHS care. The consultant must adhere to a code of practice

<b>Enw Da:</b> <b>Reputational:</b>	Potential for public opposition and also political and media interest if patients that fund initial treatment privately subsequently access NHS waiting lists as a priority over and above patients fully funded by the NHS, leading to reputational damage on the Health Board.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not Applicable
<b>Cydraddoldeb:</b> <b>Equality:</b>	Access to NHS waiting lists is the key issue. If systems are not robust there is a potential that patients that fund initial treatment privately subsequently access NHS waiting lists as a priority over and above patients fully funded by the NHS. This is against the intent of all waiting list rules.