

PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	29 June 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Long Term Agreements - Contract Values, Approach and Development in 2021/22
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Shaun Ayres Assistant Director of Commissioning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

The Long-Term Agreements (LTAs) between Health Boards are normally signed at the end of March relating to the forthcoming financial year. However, due to COVID-19, the LTAs were signed in accordance with the Welsh Government directive on or before the 11th June 2021. HDdUHB was able to achieve the deadline set out by WG and the Chief Executive executed the LTAs on 9th June 2021.

Cefndir / Background

- NHS England and NHS Improvement issued guidance detailing next steps in response to the COVID-19 pandemic in March and April 2020. As a result, an all Wales Director of Finance agreement was made concerning LTA agreements in 2020/21.
- Subsequently, LTA agreements were blocked in 2020/21 with other Health Boards, based on 2019/20 outturn plus inflation for the full year, and pass-through activity and payment being the only exception.
- The Health Board (HB) is proposing to spend c. £153m on commissioned services and provide c. £33m of income through provision of services to other organisations (Healthcare Contracting Expenditure and Income) in 2021/22.
- There has been an agreement to retain the block contracts in 21/22, subject to the principles below.

Asesiad / Assessment

The principles below were drafted and agreed in accordance and pursuant to an all Wales LTA block arrangement. The principles are drafted to give both financial and quality assurances to both the Providers and Commissioners. Whilst there remain concerns around the Block Contracts, HDdUHB was very vociferous and forthright in stating any Block Contract would have to be subject to Quality and Data metrics. The principles accepted were as follows:

1. To remain on a block contract arrangement for Quarter 2 – Quarter 4 of 2021-22 for both LTA and SLA. Payment to be based on 2020-21 block payment levels (reflecting 2019-20 out-turn) plus 2% uplift / pay award.
2. If the block arrangement is not agreed the default option would be to revert back to the financial values as per the historic agreements, uplifted by 2% for 2021-22.
3. WHSSC – to be funded / paid as per the approved 2021/22 IMTP values, and paid to Providers on an actual cost incurred basis in line with the funding release conditions.
4. Repatriation, investments, dis-investment and pathway changes relating to 2020-21 and 2021-22 to be considered and agreed by the respective Commissioners and Providers locally. The decision will be predicated on the ability to actually deliver in line with the investment and subsequent activity.
5. High Cost Drugs and clinical devices – will be paid on an actual cost basis (initial payments to be based on 2020-21 out-turn plus 2%, then adjusted for actual when information available). Commissioners require monthly metrics to ensure they can adjust the Year to Date and Forecasts accordingly
6. To maintain the Task and Finish Group to review the contractual arrangements in a timely manner.
7. The principles of a block are unequivocally linked to working on quality metrics such as patient outcomes and data quality and integrity for aligned LTA reporting in 2022/23.
8. To ensure equal access for all patients in line with existing contracts.
9. To ensure full finance and activity information is available on a monthly basis.
10. To ensure Commissioners receive relevant monthly quality metrics and harm reports.
11. To ensure waiting list recovery plans are made available to Commissioners.
12. To ensure specialty level waiting list numbers and waiting times are reported on a monthly basis, including a clear narrative around any slippage/reduction in projected patient activity and the requisite remedial action plans.

Furthermore, it was suggested and recommended that a Commissioning/Quality Group also be established as the Task and Finish Group which was established on behalf of Directors of Finance is still predominately focused on 'cash-flow' and the LTAs from a financial perspective.

Table 1: Expenditure LTA Contract Values

The proposed contract values were presented to Finance Committee in April 2021 and ratified at Board in May 2021 respectively. There was one minor change to the quantum previously presented relating to WHSSC. The final value of WHSSC was £107,197,000 and not £107,347,000. Therefore, this was a cost reduction of (£150k) to the opening baseline.

Health Board	Swansea Bay UHB	Aneurin Bevan UHB	Betsi Cadwaladr UHB	Cardiff & Vale UHB	Cwm Taf Morgannwg UHB	Powys Local Health Board	Velindre NHS Trust	Welsh Health Specialised Services Committee	Public Health Wales (Microbiology)	Total LTA Vales
Annual Value 21/22	£36,131,006	£268,979	£281,447	£5,854,549	£475,600	£190,925	£1,069,074	107,347,000	£1,660,560	153,279,140
Annual Value 21/22 (updated)	£36,131,006	£268,979	£281,447	£5,854,549	£475,600	£190,925	£1,069,074	107,197,000	£1,660,560	153,129,140

The revised total LTA expenditure for 2021/22 is:

Expenditure	£153,129,140
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Initial Engagement with Swansea Bay University Health Board (SBUHB)

Based on our engagement with SBUHB, we have put forward a provisional Framework which could begin to provide the basis of any quantitative metrics. The purpose of putting said metrics forward, is to ensure there is early engagement and collaborative working.

Safe <ul style="list-style-type: none"> Readmissions Patients receiving the sepsis six bundle within one hour of positive screening (inpatients and patients in emergency departments) Hospital acquired infections Falls Pressure ulcers Medication errors Hospital acquired thrombosis Nutrition and hydration Mortality Serious Incident-linked to delays in treatment 	Timely <ul style="list-style-type: none"> Referral to treatment waiting times and breaches Cancer Waiting Times (including diagnostics) A&E (decision to admit) Decision to admit to admission to ward Delayed transfers of care (DIOC) EDD met – I have assumed mean met 4 & 12 hour targets
Equitable <ul style="list-style-type: none"> Disaggregation of the waiting list (Residency Based) – (potential Lightfoot Solution) Prioritisation based on clinical need 	Patient Centeredness <ul style="list-style-type: none"> Family & Friends / All Wales patient experience questionnaire (picking up specific 'I statements' opposite) % of pathways with a patient reported outcome measure Patient feedback- Improving Together Complaints
Efficiency <ul style="list-style-type: none"> Inpatient cancellations Did not attend (new and follow-up outpatients) Virtual Clinics including Consultant Connect High Cost Drugs- Utilisation 	Equity <ul style="list-style-type: none"> Development of Joint Service Specifications (full review of many services)
Finance <ul style="list-style-type: none"> Contracted and actual costs Year-end projections 	Outcome(s) <ul style="list-style-type: none"> Cancer 1 and 5 year survival rate Reduction in A&E Attenders/Admissions (Linked back to our localities)

Whilst the performance metrics will support us in the longer term, there is absolute recognition that we need to support and manage many of our commissioned services at this present juncture. Consequently, we are reviewing the current data and information available to HDdUHB. The following is a snapshot of the RTT within Cardiology pertaining to the patients waiting 36> weeks:

Current Waiting Lists Cardiology (36 Weeks >)

TreatmentSpecialtyDescription	WaitingTimesBand	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Grand Total
Cardiology														
	36			6	1	2	3	4		1	2	1		20
	37			1	2	3	2	1	3	1	1	2		16
	38			2	3	1				2	4	3	2	17
	39	1		2	2	2				1			1	9
	40			3	1	2	1	6		2	2	1	1	19
	41 - 44	2	1	4	10	4	5	5	9	2	7	5		54
	45 - 48	1	2	1	5	7	8	6	3	5	1	5	6	50
	49 - 52	1	1	2	1	4	5	7	7	6	3	3	3	43
	53 - 56			1	2		4	3	5	8	5	2		30
	57 - 60			1					4	5	3	7	4	26
	61 - 64				1			2		4	5	2	7	26
	65 - 68					1				4	3	1	6	15
	69 - 72									1	6	3	2	12
	73 - 76									1			5	8
	77 - 80										1			5
	81 - 84											1		2
	97 - 100										1			1
	105													1
Cardiology Total		5	14	20	28	24	30	34	39	45	43	36	36	354

In order to address the concerns, such as those within the Acute Coronary Syndrome (ACS) pathway with SBUHB, the contracting and commissioning team have aligned with the Cardiology Directorate to develop a joint plan with SBUHB around addressing the issues relating to delivery.

However, we recognise that the ACS pathway is really challenged across South West Wales. The Healthcare Contracting team have reached out to other Health Boards and a Trust in England to see if any support can be provided to support the pressures in the interim.

Finally, whilst the above articulates the steps being undertaken relating to Cardiology including the ACS pathway, this approach is also being undertaken across all areas, including Cancer Services:

SWWCC Regional Strategic Programme

Recover

- Baseline Cap/Dem
- Service Spec baseline
- Workforce Reviews
- HB Annual/Recovery Plans
- RT Waits
- SACT Waits
- OP First attendance Waits
- Surge Planning
- Triage mechanisms & approach

Stabilise

- Equipment – Capital
- Infrastructure/Environment
- Improved HB Commissioning
- Workforce Plan
- Service communication meetings
- Governance framework
- Quality & Governance
- Medicines Management

Modernise

- Research/Trials
- Innovative treatments / processes / equipment
- Digital opportunities
- Monthly KPI/ Performance reporting
- Service Development
- Service structure & modelling reviews

The key aim of the SWWCC is to ensure we can articulate the recovery actions required. A significant proportion of the work is to focus on Demand and Capacity and understand the current and project demand on the cancer services between both HDdUHB and SBUHB. There is equally the recognition that there is a significant overlap between the Recovery and Stabilisation phase(s) in order to move us collectively towards the strategic direction that both organisations require to meet the future demand on Oncology Services.

Argymhelliad / Recommendation

- Finance Committee is asked to note the contents of the report
- Finance Committee is asked to note the actions being taken to support our population regarding the commissioned services.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Risk 646 (score 16) Ability to achieve financial sustainability over medium term.
Safon(au) Gofal ac Iechyd: Health and Care Standard(s): Hyperlink to NHS Wales Health & Care Standards	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives: Hyperlink to HDdUHB 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.
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Contained within the report
Rhestr Termau: Glossary of Terms:	Explanation of terms is included in the main body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cyllid: Parties / Committees consulted prior to Finance Committee:	Not applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable, over and above the impact of COVID-19 as it stands, however potential risk if not managed adequately coming off the COVID19 and block arrangement period.
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Risks are identified in the report.
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Equality not altered (EQIA not required)