

PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	28 February 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Healthcare Contracting, Commissioning and Outsourcing Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Shaun Ayres, Deputy Director of Operational Planning and Commissioning

**Pwrpas yr Adroddiad (dewiswch fel yn addas)
Purpose of the Report (select as appropriate)**

Er Gwybodaeth/For Information

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

Long-Term Agreements (LTAs) during 2021/22 were subject to a block arrangement between Health Boards in Wales. This arrangement was implemented at the beginning of the COVID-19 pandemic and continued for the remainder of 2021/22. The purpose of the arrangement was to ensure that there was a collective focus on operational recovery. Moving forward into 2022/23, the block arrangements have been deemed inappropriate and, therefore, a hybrid approach has been adopted.

In addition to the financial implications, this report will provide a focus on the waiting times and performance metrics.

Cefndir / Background

The All Wales Directors of Finance (DoF) forum established a Financial Flows Workstream sub-group, with the task of developing an approach to LTAs for 2022/23. It is recognised that, whilst the NHS is still emerging from the pandemic in 2022/23, there is a requirement to establish an interim arrangement for one year, which supports the need to return to business as usual, and to facilitate discussions to agree a longer term approach from 2023/24 onwards.

Key Principles agreed by DoF against which the sub-group developed its options are:

1. Requirement to move away from the Blocks
2. The contract model needs to incentivise patient treatment
3. 2022/23 is a transition year
4. The NHS policy is to return to 2019/20 levels of activity
5. Requirement for a realistic assessment of the deliverability of activity (tolerance levels)
6. Requirement to minimise the risk from activity variations and recognition of the cost of Recovery

Agreement

The table below sets out the decisions reached at the All Wales Director of Finance with regards to outpatient appointments, emergency and planned care.

Type	Contract Model	Activity/Cost	Activity Tolerances	Marginal Rates	Recovery activity
Non-Admitted/Outpatient incl. Regular Day Attenders and Ward Attenders	Block	19-20 Activity Baseline <ul style="list-style-type: none"> Actual Activity Actual Cost Plus LTA inflation to 22-23 	N/A	N/A	N/A
Non-Elective	Cost & Volume	19-20 Activity Baseline <ul style="list-style-type: none"> Actual Activity Actual Cost Plus LTA inflation to 22-23 	10% Tolerance	Extant marginal rates for activity below tolerance	70% Marginal Rate for Recovery Activity (or extant if greater)
Elective	Cost & Volume	19-20 Activity Baseline <ul style="list-style-type: none"> Actual Activity Actual Cost Plus LTA inflation to 22-23 	10% Tolerance	Extant marginal rates for activity below tolerance	70% Marginal Rate for Recovery Activity (or extant if greater)

In conjunction with the on-going work between health boards, a collective effort is being undertaken between directorates to support the recovery work within HDdUHB.

Asesiad / Assessment

The main areas of focus will be on the contractual delivery and waiting lists within the Health Board's main providers.

LONG TERM AGREEMENTs (LTA)

2022/23 – LTA position.

The total value of LTAs for 22/23 is £46.148million with Welsh Health Specialised Services Committee (WHSSC) being £117.641million. Compared to M5, M9 LTA activity has increased by £958K, from (£923K) underperformance to £34K overperformance.

LTA Contract	LTA Value	Mth 9 Performance	FY Outturn	Mth 5 Performance	Movement Mth 5 - Mth 9
Aneurin Bevan	£280,173	£30,454	£310,627	£44,086	-£13,632
Betsi Cadwalladr	£292,275	£7,646	£299,921	£7,646	£0
Cardiff & Vale	£6,097,338	£459,107	£6,556,445	-£38,105	£497,213
Cwm Taff Morgannwg	£489,846	-£7,806	£482,040	-£42,513	£34,707
Powys	£197,345		£197,345		£0
Swansea Bay	£37,492,958	-£305,302	£37,187,656	-£852,957	£547,656
Velindre	£1,298,124	-£149,728	£1,148,396	-£41,395	-£108,333
TOTAL LTA: Non WHSSC	£46,148,059	£34,371	£46,182,430	-£923,239	£957,610
WHSSC	£117,640,841	-£1,636,157	£116,004,684	-£2,079,925	£443,768
TOTALS:	£163,788,900	-£1,601,786	£162,187,114	-£3,003,165	£1,401,379

2022/23 – MONTH 9 (M9) LTA position.

Based on M9 returns, the forecasted overperformance for Health Board to Health Board LTAs is £34K. Since M5 underperformance has increased by £958K mainly within Swansea Bay University Health Board (SBUHB) Swansea Bay University Health Board (SBUHB) and Cardiff and Vale University Health Board (CVUHB).

SBUHB's position has increased by £547K. ITU average monthly bed days has increased from 78 to 94 (21% increase) increasing costs by £230K. In addition to this Elective Orthopaedic Spinal Major procedures has doubled from 6 (average per month) to 12 increasing the level of expenditure by a further £290K.

CVUHB is reporting an increase in performance on NICE HCD for Myeloid Leukaemia and gastro/pancreatic tumours (£200K). Orthopaedic activity has increased by 13% to an average of 17 procedures per month increasing costs by £109K. Acute Intensive Care Unit (AICU) bed days has increased by 26% from a monthly average of 18 (bed days) to 23.

WHSSC underperformance reduced by £444K due to a number of underlying cost pressures, specifically Welsh provider TAVI performance, North West England Provider SLA performance and out of area mental health placements for medium secure and eating disorder patients.

The Mth9 forecast position includes an increase in SBU TAVI activity reflecting the high levels sustained through October and November.

As organisations respond to the Ministerial targets, planned care recovery and the removal of many of the Infection Prevention and Control (IPC) constraints, future months are expected to see higher activity levels and a reduction in the current forecasted underperformance.

This work will continue to gain greater clarity on recovery plans and financial implications

Waiting Times – Month 9, 2022-23

As at the end of December 2022, there were 8,300 HDdUHB residents awaiting treatment in other Welsh NHS Organisations within all stages of outpatient/diagnostic pathway. The percentage change over the time period is provided below for each provider.

Provider	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	% Change
Aneurin Bevan University Local Health Board	66	77	79	94	93	93	81	87	84	27%
Betsi Cadwaladr University Local Health Board	28	25	23	25	26	28	30	28	29	4%
Cardiff and Vale University Local Health Board	1,194	1,237	1,211	1,221	1,208	1,231	1,230	1,208	1,193	0%
Cwm Taf Morgannwg University Local Health Board	94	92	95	93	97	103	103	104	102	9%
Powys Teaching Local Health Board	10	12	15	19	13	17	16	13	15	50%
Swansea Bay University Local Health Board	6,844	6,939	6,921	7,001	7,034	7,030	7,087	6,948	6,877	0%
Grand Total	8,236	8,382	8,344	8,453	8,471	8,502	8,547	8,388	8,300	1%

The table above shows that there has been a 1% increase in the volume of patients waiting from April 22 to the end of December 22 (M1-9). The latest waiting list information demonstrated a 1% improvement from the previous month. The majority of HDdUHB patients awaiting treatment at other Welsh health boards are with SBUHB and CVUHB.

CVUHB Waiting Times New Outpatient (All waits)

The table below shows the latest position, as at December 2022, for all patients waiting for a new outpatient appointment by speciality within CVUHB:

Specialty	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Clinical Immunology And Allergy	190	201	206	211	212	208	210	216	227
Trauma & Orthopaedics	86	84	86	90	100	105	103	102	95
Neurosurgery	74	71	65	57	50	60	62	65	74
Ophthalmology	29	31	32	35	33	35	35	32	28
Paediatric Surgery	33	29	26	34	39	34	31	34	28
Paediatrics	34	35	36	39	34	31	38	31	28
Neurology	30	34	35	37	38	38	31	31	26
Clinical Haematology	4	3	6	7	5	8	12	9	11
General Surgery	21	23	21	18	19	13	18	18	11
Clinical Pharmacology	6	7	7	7	6	6	6	9	10
ENT	23	17	15	12	11	11	10	8	9
Gastroenterology	7	8	8	5	5	7	8	9	9
General Medicine	6	9	8	4	8	8	5	4	7
Gynaecology	5	3	3	3	2	3	5	7	7
Cardiothoracic Surgery	3	3	5	7	8	4	5	5	6
Dental Medicine Specialties	9	7	7	7	7	8	7	6	6
Geriatric Medicine	3	2	5	7	8	7	6	5	6
Dermatology	8	7	9	8	6	8	5	4	4
Oral Surgery	7	7	8	7	7	7	6	5	4

Anaesthetics	3	3	0	2	4	5	4	4	3
Cardiology	13	10	16	16	9	7	4	5	3
Orthodontics	1	1	1	2	2	2	2	2	2
Paediatric Dentistry	4	2	3	3	4	3	3	2	1
Pain Management	1	1	1	1	1	1	0	1	1
Respiratory Medicine	0	1	1	1	2	1	1	1	1
Restorative Dentistry	0	0	1	1	1	1	1	1	1
Urology	4	5	1	2	1	2	1	1	1
Nephrology	1	3	0	3	0	1	0	0	0
Paediatric Neurology	1	1	0	0	0	0	1	1	0
Rehabilitation Service	1	1	1	1	1	1	0	0	0
Grand Total	607	609	613	627	623	625	620	618	609
Month on Month Change		0.3%	0.7%	2.3%	-0.6%	0.3%	-0.8%	-0.3%	-1.5%
% Change Apr - Dec									0.3%

The above table demonstrates that the majority of HDdUHB patients waiting for a new outpatient appointment at CVUHB are waiting for Clinical Immunology and Allergy. They account for 37% of the December 2022 waiting list. The volume of patients waiting for an allergy appointment has broadly continued to increase month on month, reaching a peak in December 2022. To note, the number of patients waiting for an orthopaedic appointment have decreased this month.

Mitigating Actions

CVUHB has been exploring various options to address the allergy backlog, including increasing their clinical activity via an Insourcing route. This project commenced at the very end of last year and they are projecting to see an approx. total of 36 longest waiting Hywel Dda patients. CVUHB continues to prioritise patients on clinical need and to confirm those at the tail end of the list, will be awaiting a routine appointment. However, they are still exploring longer term plans to address the waiting list issues and will continue to keep HDdUHB updated.

Scoping work was undertaken to ascertain whether HDdUHB could replicate a similar insourcing solution in house, however there were limitations around the level of infrastructure required to progress.

CVUHB Waiting Times New Outpatient Appointments (>36 weeks) – Top 3 Specialties

Specialty	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Clinical Immunology And Allergy	110	114	124	126	127	126	136	140	143
Trauma & Orthopaedics	35	34	36	39	37	39	42	36	37
Ophthalmology	11	12	19	16	16	15	15	15	15
Grand Total (top 3 specialties > 36 weeks)	156	160	179	181	180	180	193	191	195
Grand Total (all specialties > 36 weeks)	184	191	211	223	218	215	222	209	214

Based on the aforementioned Referral to Treatment Times (RTT) metrics, the main >36 challenges remain Clinical Immunology and Allergy, which has the greatest number of patients waiting over 36 weeks and accounts for 66.8% of the >36 week December 2022 waiting list. The top three specialties account for 91% of the longest waiting patients.

SBUHB Waiting Times New Outpatient (All waits)

The table below shows the latest position as at December 2022 for all patients waiting for a new outpatient appointment by speciality within SBUHB.

Specialty	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Oral & Maxillofacial Surgery	1615	1658	1680	1768	1785	1736	1690	1599	1513
Trauma & Orthopaedics	613	625	643	690	731	747	773	781	769
Orthodontics	608	632	640	652	647	687	677	617	583
Plastic Surgery	346	335	329	337	354	331	335	302	291
Cardiology	116	108	119	115	120	127	157	182	183
Ophthalmology	77	82	81	99	99	94	100	96	92
General Surgery	101	94	94	101	114	104	92	84	85
Neurology	62	69	74	62	72	74	68	67	74
Restorative Dentistry	23	21	21	24	30	27	32	44	54
Rehabilitation Service	44	48	49	49	55	54	55	57	49
ENT	53	51	55	53	57	50	50	45	44
Gynaecology	45	42	45	49	49	50	45	43	39
Urology	36	35	29	29	37	37	44	34	35
Cardiothoracic Surgery	56	54	50	52	43	43	34	26	32
Paediatrics	11	16	22	24	27	23	19	25	28
Gastroenterology	5	8	10	10	10	11	10	12	15
Nephrology	8	13	7	12	4	6	4	9	15
Rheumatology	3	3	4	3	6	7	6	9	9
General Medicine	5	3	1	1	3	4	5	4	8
Dermatology	9	11	8	10	14	11	7	7	6
Endocrinology	5	8	9	7	6	9	7	12	4
Geriatric Medicine	4	3	3	1	3	2	2	3	3
Paediatric Neurology	5	4	4	3	1	1	2	2	2
Respiratory Medicine	1	3	2	2	4	4	2	1	1
Clinical Haematology	5	4	2	0	1	0	0	0	0
Dental Medicine Specialties	0	0	0	35	34	39	37	0	0
Pain Management	0	0	1	0	0	0	0	0	0
Grand Total	3856	3930	3982	4188	4306	4278	4253	4061	3934

The table illustrates a number of specialities continuing to experience challenges. Although it is acknowledged that all health boards are experiencing challenges, it is prudent to understand the current position for HDdUHB patients awaiting a first outpatient appointment within SBUHB. Oral & Maxillofacial Surgery (OMFS) accounts for the majority (38.45%) of the overall waits in December 2022. However, whilst OMFS reached a peak in August 2022, it has continued to show an improvement month on month since. Orthodontics is also showing an improved position.

Unfortunately, the number of patients awaiting a Trauma & Orthopaedic, Cardiology and Ophthalmology appointment has increased over the time period in question. The commissioning team will continue to work with SBUHB to understand the rationale and mitigating actions in these areas.

Mitigating Actions

A validation of the stage 1 pathway (New Outpatients) commenced for all specialities as part of the SBUHB's planned care recovery programme. A modest reduction seen in either the waiting times and/ or the number of patients waiting for certain specialties, may in part be attributable to this.

Oral/ Maxillofacial Surgery

Workshop

A Regional Collaboration for Health (ARCH) workshop was held in January, which included representatives from both HB's primary and secondary care. The workshop included a presentation from the Associate Dental Director of Powys Teaching Health Board, who gave an overview of the development on an intermediate Oral Surgery Service in Powys.

A number of actions came out of the workshop including: -

- Undertaking demand and capacity analysis of the OMFS service across the region (waiting lists, workforce, facilities, skill set)
- Reviewing current contracts and commissioning with the service.

A number of short and medium/long solutions were also discussed, including: -

Short-term solutions:

- Increasing core capacity across SBUHB and HDdUHB
- Exploring in-sourcing options and outsourcing options to address backlogs
- Ensuring consistency across regional waiting lists
- Reviewing and exploring the implementation of the revised Oral Surgery Pathway

Medium-long term solutions:

- Maximising capacity in General Practice and Community Dental Service
- Developing intermediate care solutions with specialist practices
- Utilising the Dental Teaching Unit to train and develop current workforce
- Developing tele medicine opportunities to deliver joint clinics in community setting

ARCH is currently drafting a Regional OMFS work programme which will be shared with clinical and operational teams for discussion and agreement. They are also intending on presenting an OMFS regional programme proposal with ARCH Regional Recovery Group for support and steer.

Outsourcing

Furthermore, SBUHB continue to outsource to Parkway Clinic on a facility only basis and additional sessions have been secured.

Orthodontics - The increase in waiting times shown, has been due to lack of capacity to run base line clinics, following COVID-19 as a result of staffing levels. Staffing levels have significantly improved in the past month and additional sessions have been planned. Furthermore, SBUHB recently appointed a new Orthodontic Consultant, who started in November and WLI clinics ran throughout October for new patients. In addition to staffing constraints, another challenge was around securing space, however this is being partly addressed through a virtual process using Consultant Connect. The drop in numbers waiting, reflects the progress SBUHB is making in this area.

SBUHB Waiting Times New Outpatient Appointments (>36 weeks) – Top 5 Specialties

The below table illustrates that the majority of specialties with long waiters correlate to those with the overall number of patients waiting.

Specialty	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Oral & Maxillofacial Surgery	910	921	935	972	1006	958	902	836	771
Orthodontics	317	340	339	358	362	380	379	325	287
Trauma & Orthopaedics	244	260	268	276	280	295	292	253	207

Plastic Surgery	77	84	78	83	88	59	45	29	34
General Surgery	31	30	36	33	39	41	31	27	25
Total (Top 5 specialties > 36 weeks)	1579	1635	1656	1722	1775	1733	1649	1470	1324
Grand Total (all specialties > 36 weeks)	1684	1730	1748	1835	1889	1830	1736	1532	1379

In all 5 specialties, the number of patients waiting over 36 weeks has dropped since April, a 15% reduction seen in both OMFS and Orthopaedics.

The South West Wales Cancer Care Regional Strategic Programme (SWWCC RSP)

The SWWCC RSP was established in Q1 21/22 to support the development and delivery of regional cancer services in South West Wales. The SWWCC RSP agreed to develop a Strategic Programme Case (SPC), the overall purpose of which is to describe and re-affirm the Health Boards' regional commitment to developing (and securing investment as required) to ensure patients in the South West region of Wales have equitable access to, and outcomes from, oncology treatments and services.

The last SWWCC RSP meeting took place in November 2022, the focus of which was around the development of the draft SWWCC SPC. The group agreed to provide an Executive (to include Medical Directors and Directors of Planning) briefing to ensure that all were updated on the position and were very clear on the direction of travel. Consequently, the briefing report was presented to the Strategic Development & Operational Delivery Committee in December 2022. Both Health Boards also took the SPC to their respective Boards for approval in January 2023 and a follow up meeting with SBUHB is scheduled in February 2023 to progress and take forward. Key next steps will include further analysis undertaken on affordability and the development of workstreams, in the forthcoming months.

Dual Energy X-ray Absorptiometry (DXA) service

HDdUHB has historically commissioned a Dual Energy X-ray Absorptiometry (DXA) service for the south of the HB from SBUHB via a mobile unit that travels between the three hospital sites.

HDdUHB has current concerns over the waiting times for Hywel Dda residents for a) scan and b) report. Ongoing discussions continue with SBUHB to address these concerns and to review the extremely overdue historic contractual arrangements, to ensure that going forward they are fit for purpose.

A briefing paper is in the process of being drafted and can be shared as soon as it finalised, however it is very much dependent on awaiting a plan/proposal from SBUHB.

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to discuss the content and note the mitigating actions detailed in the Healthcare Contracting and Commissioning Update report.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference:

Cyfeirnod Cylch Gorchwyl y Pwyllgor:

3.3 Scrutinise the roll out of Value Based Health Care (VBHC) through outcome capability and costing assessment (PO 6B, 6D, 6E, 6F).

	<p>3.4 Scrutinise the delivery of the Health Board's approach to community wealth building and foundational economy opportunities (PO 6H).</p> <p>3.7 Maintain oversight of, and obtaining assurances on, the robustness of key income sources and contractual safeguards.</p> <p>3.8 Review major procurements and tenders, such as outsourcing, in relation to achieving Referral to Treatment targets.</p> <p>3.9 Commission regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.</p>
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5.1 Timely Access
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.
Amcanion Cynllunio Planning Objectives	1A NHS Delivery Framework targets 6D_22 Value Based Healthcare and Patient Reported Outcome Programme
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:	Contained within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	A version of this report was shared with Quality, Safety and Experience Committee

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	The financial implications are contained herein
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable