



PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	23 August 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Healthcare Contracting Update
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) are subject to a block arrangement between Health Boards in Wales. This arrangement has been in place since the start of the COVID-19 pandemic and will continue for the remainder of 2021/22 as previously reported. The purpose of the arrangement is to ensure that there can be a collective focus on financial recovery.

Cefndir / Background

The LTAs have been developed and agreed for 2021/22 on the basis of:

- Contracts (and contract values) are agreed on a historical basis utilising the relevant uplifts; these predominantly being inflation, wage awards and any agreed developments.
- The block arrangements are to be implemented for the duration of 2021/22 as agreed by the Directors of Finance (DoFs). The value and activity plan is predicated on 2019/20 outturn plus 2%, with a further inflationary uplift (also 2%) for 2021/22.
- There are a number of developments being undertaken between HBs around reporting metrics and reviews of future contracting models due to the extant arrangements likely to be deemed inappropriate beyond 2021/22.

Asesiad / Assessment

Expenditure Summary

The LTA encompasses a number of component parts such as:

- Core LTA (Activity)
- High Cost Drugs
- Non-Cost and Volume elements (Developments/Pay Award etc.)

The table below provides the Forecast Outturn, which is predicated on the LTA as a whole, and provides an indicator of aggregate performance when the LTA as a whole is considered.

Expenditure Mth 3					
LTA Contract	Plan	Actual	Variance	Block Value	Variance to Block
Aneurin Bevan	£268,979	£243,549	-£25,430	£290,070	-£46,521
Betsi Cadwalladr	£281,447	£248,610	-£32,837	£238,131	£10,479
Cardiff & Vale	£5,854,549	£5,634,549	-£220,000	£5,587,474	£47,075
Cwm Taff Morgannwg	£475,600	£378,707	-£96,893	£462,337	-£83,630
Powys	£189,275	£189,275	£0	£195,754	-£6,479
Swansea Bay	£36,188,293	£32,803,598	-£3,384,695	£36,272,361	-£3,468,763
Velindre	£1,092,218	£1,092,218	£0	£1,052,446	£39,772
WHSSC	£107,197,000	£106,302,000	-£895,000	£106,302,000	£0
TOTALS:	£151,547,361	£146,892,506	-£4,654,855	£150,400,573	-£3,508,067

The key variances to plan are predominately driven by Swansea Bay University Health Board (SBUHB). The current deviation to plan is driven by a few key areas detailed below. The LTA activity, which is predicated on patient services, is the main driver of the financial underperformance (below plan). However, the Committee will be aware that this aspect of the LTA is subject to a block arrangement to support recovery.

As at Month-3, the total Year to Date (YTD) position relating to Patient Services is:

Total Financial Performance (£1,449,538)	Total Financial Performance (Marginal Rate) (£1,014,675)
---------------------------------------------	-------------------------------------------------------------

Underperformance (Below Plan)

As with any high-level aggregate position, it does not support a clear understanding or enunciation of the key areas of underperformance (below plan). The table below aims to set out the core Points of Delivery (PODs) within SBUHB:

POD Level Activity Analysis	Period	Plan	Actual	Variance	Cost Variance (Excluding Marginal Rate)
Day Case	Q1	509	366	143	-£167,544
Current Run-Rate Projection	FYE Plan	2,035	1464	571	-£670,176
Elective	Q1	329	195	134	-£344,548
Current Run-Rate Projection	FYE Plan	1316	780	536	-£1,378,192
New Outpatient Appointments	Q1	1972	923	1049	-£203,264
Current Run-Rate Projection	FYE Plan	7888	3692	4196	-£813,056
Follow Ups-Appointments	Q1	4628	2443	2185	-£240,136
	FYE Plan	18,511	9772	8,739	-£960,544
Critical Care	Q1	306	221	85	-£156,326
	FYE Plan	1224	884	340	-£625,304

The 5 areas in the table above are the main YTD (circa £1.1million) and thus forecasted variances (circa £4.4m) which are driving the LTA position within SBUHB.

The Commissioning and Contracting team are working closely with SBUHB to understand their recovery plans. Moreover, this is being undertaken through numerous forums including LTA meetings, Directorate to Directorate discussions at both a micro and macro level, and through A Regional Collaboration for Health (ARCH) Strategic Partnership Groups.

Overperformance (above plan)

Conversely, there are a number of areas which are exceeding the plan and thus mitigating, in part, the levels of underperformance. These areas comprise of Specialties and Sub-specialities compared to the aforementioned PODs.

The key areas are Cardiology and Neurology:

Specialty	Period	Plan	Actual	Variance	Cost Variance (Excluding Marginal Rate)
400-Neurology	Q1	27	190	163	£143,228
Current Run-Rate Projection	FYE Plan	108	760	652	£572,912
320-Cardiology	Q1	13	38	25	£86,657
Current Run-Rate Projection	FYE Plan	52	152	100	£346,628
320-Cardiology	Q1	23	58	35	£117,695
Current Run-Rate Projection	FYE Plan	92	232	140	£470,780

In order to fully articulate the procedures driving the above, the Healthcare Contracting team has undertaken Human Resource Group (HRG) analysis:

The analysis highlights the different procedures and complexities and comorbidities (CC):

Neurology

The first area reviewed is Neurology:

Neurology - Activity based on bed days		Admission Method		
HRG Code	HRG Description	ELECTIVE	EMERGENCY	Grand Total
AA22E	Cerebrovascular Accident, Nervous System Infections or Encephalopathy, with CC Score 8-10		11	11
AA25C	Cerebral Degenerations or Miscellaneous Disorders of Nervous System, with CC Score 14+		23	23
AA25F	Cerebral Degenerations or Miscellaneous Disorders of Nervous System, with CC Score 5-7		3	3
AA26H	Muscular, Balance, Cranial or Peripheral Nerve Disorders, Epilepsy or Head Injury, with CC Score 0-2	16		16
AA30C	Medical Care of Patients with Multiple Sclerosis, with CC Score 8+		14	14
AA30E	Medical Care of Patients with Multiple Sclerosis, with CC Score 2-4		11	11
AA33C	Conventional EEG, EMG or Nerve Conduction Studies, 19 years and over	1		1
HC28H	Spinal Cord Conditions with Interventions		14	14
HC28L	Spinal Cord Conditions without Interventions, with CC Score 3-4	17		17
HC63C	Major Extradural Spinal Procedures with CC Score 0-1		9	9
JD07K	Skin Disorders without Interventions, with CC Score 0-1		2	2
N/A	Not Coded		7	7
SA14Z	Plasma Exchanges, 2 to 9		26	26
Grand Total		34	120	154

As detailed in the table above, Neurology activity is predicated on bed days. The 154 days is not perfectly correlated to the 190 actual stipulated above due to some gaps in the coding. However, of the 154 bed days shown above, 120 (78%) is driven by Non-Elective (NEL) demand, with only 34 (22%) Elective days in comparison. There are several key drivers that need further understanding to determine whether any of these bed days could have been avoided. The level of complexity is particularly evident with 11 patients coded under HRG AA22E having a CC score of 8-10. Furthermore, 23 patients were coded under AA25C, which results in the patients displaying extremely complex needs as evidenced by the CC score of 14+.

Additionally, 25 bed days were attributable to Multiple Sclerosis (MS) patients who were admitted as NEL. Of the 25 bed days attributable to MS, 14 bed days (56%) had a prevalence or CC score of 8+. The HRG and CC score highlight that the MS patients admitted to the Neurology beds are quite complex.

Finally, there is a need to understand the correlation between the 23 (57.5%) NEL patients requiring interventions and whether they were indeed awaiting an elective procedure as 9 of the 23 NEL patients received a Major Extradural Spinal Procedure. Conversely, the only elective activity to date (17 patients) are not subject to any intervention, despite having a higher CC score of 3-4.

Cardiology

Currently, the Health Board is significantly above plan (192% and 152%) in relation to Cardiology (320). The data below captures the 96 patients YTD and other Cardiology patients to provide the Committee with a clear understanding of what is driving the total Cardiology position. This is slightly more complex than Neurology given that it is reported on a number of different Patient Services reporting lines.

Nonetheless, of the 120 Cardiology patients to date, 70 (58%) patients have presented via NEL routes. The table below illustrates the key areas of variance and demand:

HRG Code	HRG Description	Admission Method		
		Elective	Emergency	Grand Total
Angiography	Summary	11	10	21
EB06D	Cardiac Valve Disorders with CC Score 0-4		1	1
EB10B	Actual or Suspected Myocardial Infarction, with CC Score 10-12	1		1
EB10C	Actual or Suspected Myocardial Infarction, with CC Score 7-9		1	1
EB10D	Actual or Suspected Myocardial Infarction, with CC Score 4-6		1	1
EB10E	Actual or Suspected Myocardial Infarction, with CC Score 0-3	2	1	3
EB13D	Angina with CC Score 0-3		1	1
EB14C	Other Acquired Cardiac Conditions with CC Score 6-8		1	1
EB14E	Other Acquired Cardiac Conditions with CC Score 0-2	1		1
EY42D	Complex Cardiac Catheterisation with CC Score 0-1	1		1
EY43A	Standard Cardiac Catheterisation with CC Score 13+		1	1
EY43C	Standard Cardiac Catheterisation with CC Score 7-9		1	1
EY43D	Standard Cardiac Catheterisation with CC Score 4-6	2		2
EY43E	Standard Cardiac Catheterisation with CC Score 2-3	4	1	5
EY43F	Standard Cardiac Catheterisation with CC Score 0-1		1	1
NP	Summary		1	1
WH50A	Procedure Not Carried Out, for Medical or Patient Reasons		1	1
Other	Summary	38	56	94
DZ26G	Pneumothorax or Intrathoracic Injuries, with Multiple Interventions, with CC Score 6+		1	1
EB03B	Heart Failure or Shock, with CC Score 11-13		1	1
EB06D	Cardiac Valve Disorders with CC Score 0-4		1	1
EB07D	Arrhythmia or Conduction Disorders, with CC Score 4-6		1	1
EB07E	Arrhythmia or Conduction Disorders, with CC Score 0-3	1		1
EB10C	Actual or Suspected Myocardial Infarction, with CC Score 7-9		2	2
EB10E	Actual or Suspected Myocardial Infarction, with CC Score 0-3	1	2	3
EB12C	Unspecified Chest Pain with CC Score 0-4	1	1	2
EB13D	Angina with CC Score 0-3		1	1
EB14B	Other Acquired Cardiac Conditions with CC Score 9-12		2	2
EB14D	Other Acquired Cardiac Conditions with CC Score 3-5		2	2
ED25C	Standard, Single Heart Valve Replacement or Repair, with CC Score 0-5	1		1
ED31B	Standard, Other Operations on Heart or Pericardium, with CC Score 5-9		1	1
EY41B	Standard Percutaneous Transluminal Coronary Angioplasty with CC Score 8-11	1		1
EY41D	Standard Percutaneous Transluminal Coronary Angioplasty with CC Score 0-3	1		1
EY43A	Standard Cardiac Catheterisation with CC Score 13+		1	1
LA04P	Kidney or Urinary Tract Infections, without Interventions, with CC Score 8-12		1	1
N/A	Uncoded	32	39	71
Other	Summary		1	1
EB08D	Syncope or Collapse, with CC Score 4-6		1	1
Pacing	Summary	1	2	3
EB07D	Arrhythmia or Conduction Disorders, with CC Score 4-6		2	2
EY08D	Implantation of Single-Chamber Pacemaker with CC Score 3-5	1		1
Grand Total		50	70	120

Unlike Neurology, and notwithstanding the uncoded data, there appears to be a variety of Cardiac conditions driving the demand. 11 patients presented with Actual or Suspected Myocardial Infarction (heart attack). Of the 11 patients, 7 were NEL (64%) and 4 were Elective (36%). There were 12 patients who required Cardiac Catheterisation, 7 (58%) Elective and 5 NEL (42%). Additionally, there were 6 patients coded as other Acquired Cardiac Conditions, with 5 (83%) of the 6 presenting via NEL.

Therefore, as previously stated, Cardiology remains an area of concern. This is emphasised by a significant proportion presenting NEL. Furthermore, when the coding is removed for Uncoded/Summary, this leaves 48 patients with a clear Coding Grouping; 18 patients Elective (37%) and 31 NEL (63%).

Next Steps

Cardiology is, and will continue to be, an area of focus between HDdUHB and SBUHB. Directorate to Directorate engagement is maintained, with a focus on this area within the Commissioning and Contracting team. Capacity restraints continue within SBUHB, especially within the Cath-Lab.

High Cost Drugs

Currently, high cost drugs remain broadly on plan. At Month 3 2021/22, there is a minor YTD variance of £40,000 against a YTD plan of £2.2m. However, SBUHB is forecasting that high cost drugs will exceed the anticipated LTA plan:

	Upto Mth 3	FY	
DAROLUTAMIDE		40,000	
GALCENEZUMAB		8,000	
GILTERITINIB		10,000	
IDEBENONE		9,000	
ISATUXIMAB		7,000	
MOXETUMOMAB		10,000	
PEMBROLIZUMAB		75,000	
PEMIGATINIB		16,000	
POLATUZUMAB		40,000	
SIPONIMOD		400,000	
SOLRIAMFETOL		10,000	
TALOZAPARIB / OLAPARIB		12,000	
ALEMTUZUMAB	-25,362	-101,448	Leukaemia
DOLUTEGRAVIR AND LAMIVUDINE	-41,997	-167,987	HIV
HIV	-24,899	-99,595	
OCRELIZUMAB	92,940	371,760	MS drug
CABOZANTINIB	-14,359	-57,436	
DIMETHYL FUMARATE	-13,524	-54,096	
RITUXIMAB	-13,519	-54,076	
	- 40,719	474,123	

As part of the Integrated Medium Term Plan (IMTP), HDdUHB is aware that Siponimod, a drug for neurological decline in MS patients, may become available in 2021/22. Therefore, whilst this is not specifically in the LTA high cost drugs plan of £6.8m, a provision has been made within the LTA budget if required. Furthermore, there may be an inverse relationship between Siponimod and other MS drugs, as other MS expenditure may reduce if/when the patient switches drugs.

Currently, HDdUHB remains cautious around the forecast provided by SBUHB, as there has been no indication over the past 18 months that the current run-rate will exceed the extant expenditure already included within the LTA.

Referral to Treatment (RTT) 36 Weeks >

The RTT information below shows the number of HDdUHB patients exceeding 36 weeks by speciality:

Specialty (36 Weeks >)	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Allied Health	2	2	2	1	1	0	0	1
Cardiology	39	45	43	36	36	27	24	26
Cardiothoracic Surgery	22	22	18	15	14	15	16	13
Dermatology	1	0	0	0	1	0	0	0
Diagnostic	3	3	2	3	4	3	0	2
ENT	30	30	27	28	27	26	28	29
Gastroenterology	5	11	20	13	14	9	9	9
General Surgery	64	66	66	69	66	68	66	64
Gynaecology	38	45	45	46	52	54	55	59
Neurology	14	14	10	8	5	3	3	4
Ophthalmology	31	35	33	32	31	33	32	34
Oral Surgery	360	355	354	354	353	352	346	345
Paediatrics	6	5	4	10	6	4	7	9
Plastic Surgery	163	167	170	181	187	180	180	179
Trauma & Orthopaedics	590	587	587	583	575	566	561	576
Urology	14	19	15	11	10	12	12	14
TOTAL	1382	1406	1396	1390	1382	1352	1339	1364

Whilst at a total aggregate level, the position remains at an average aggregate level of 1376. There are some indications that the on-going work around Cardiology and Neurology are beginning to have an effect. When comparing November 2020 to June 2021, there is a reduction of 13 patients exceeding 36 weeks (33%). There is also a reduction in Neurology when reviewing the same period; there are currently 4 patients exceeding 36 weeks, compared to 14 patients in November 2020 (71%).

There is, however, a clear correlation between the POD underperformance (below plan) as set out above, and the number of patients exceeding 36 weeks. Of the total 1364 patients exceeding 36 weeks, 81% are within three specialities; Trauma and Orthopaedics (T&O), Plastic Surgery and Oral Surgery.

Cardiff and Vale University Health Board (CVUHB) RTT and Activity Planning Assumptions LTA

Specialty	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Anaesthetics	7	7	6	6	7	10	11	11
Cardiology	9	7	5	5	5	5	5	2
Cardiothoracic Surgery	6	6	6	5	4	4	4	4
Clinical Immunology And Allergy	82	86	0	1	1	0	0	0
Clinical Pharmacology	1	1	0	0	0	0	0	0
Dental Medicine Specialties	3	4	0	0	0	0	0	0
Dermatology	2	2	0	0	0	0	0	0
ENT	21	23	14	13	13	14	13	15
General Medicine	3	3	1	0	0	0	0	1
General Surgery	19	22	10	9	8	9	11	10
Gynaecology	16	15	12	12	12	11	12	13
Neurology	9	8	4	6	2	1	1	1
Neurosurgery	17	12	12	11	7	7	10	8
Ophthalmology	21	18	4	5	5	6	9	9
Oral Surgery	10	9	7	7	6	7	8	9
Paediatric Dentistry	2	2	1	1	1	1	1	1
Paediatric Surgery	61	61	38	33	31	27	25	26
Paediatrics	10	16	10	12	10	10	11	11
Pain Management	1	1	1	1	1	1	1	1
Trauma & Orthopaedics	88	86	44	43	44	45	51	54
Urology	2	3	4	4	4	4	4	4
Total	390	392	179	174	161	162	177	180

In terms of HDdUHB patients in CVUHB, there has been a significant reduction in the number of patients exceeding 36 weeks. The number of patients waiting over 36 weeks has reduced from 390 to 180 (54%). Whilst there remain challenged areas, such as Paediatric surgery, the number of patients exceeding 36 weeks has reduced from 61 to 26 (57%). This is also the case for T&O (39%) and Ear, Nose and Throat (ENT) (29%). It is important to note that the majority of areas are on an improved trajectory. Conversely, the Healthcare Contracting team is still cognisant that there are 180 patients exceeding 36 weeks. Consequently, HDdUHB must continue to work closely with the CVUHB Assistant Director of Operations and support the on-going reduction in patients waiting more than 36 weeks.

LTA Activity and Expenditure

To ensure the RTT waiting list is correlated to the performance within CVUHB, the key areas which remain below and above the LTA are:

	Activity	£ (YTD)	£ (FY)	
Hip Complex	-4	-41,146	-164,583	} Inpatients/ Day Cases
Knee Complex	-5	-47,633	-190,533	
Paediatric Scoliosis	-3	-42,730	-170,919	
Spinal Complex	-5	-51,791	-207,164	
Adult ICU		127,815	511,259	
		-55,485	-221,940	

As evidenced above, paediatric cases are improving, however, they remain below plan. The other 3 below plan areas are linked to the on-going T&O challenges. CVUHB is due to have a

demountable solution on site in the coming months. This will provide increased capacity and is expected to support their recovery plan.

Finally, the Healthcare Contracting team has requested additional information regarding Adult Critical Care. The current situation has been summarised within the LTA M3 information below:

Purchaser	LTA (days)	Profile (days)	Actual (days)	Variance (days)	SL forecast (days)
Carmarthenshire	128	32	33	1	132
Ceredigion	10	2	92	90	368
Pembrokeshire	17	4	12	8	48
Hywel Dda	154	38	137	99	548

The LTA (days) are predicated on a full year effect (FYE) of HDdUHB residents requiring Critical Care. At present, all 3 counties are above plan. There are marginal variances within the Carmarthenshire and Pembrokeshire plan. However, there are some anomalies with the Ceredigion data, which the team are reviewing with CVUHB.

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to note the content of the report and the steps being undertaken by the Healthcare Contracting Team.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.5.9 Commissioning regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	856 (score 8) Ability to deliver the Financial Plan for 2021/22
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	1.1 Health Promotion, Protection and Improvement
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 Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	4. Improve Population Health through prevention and early intervention, supporting people to live happy and healthy lives

--	--

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Contained within the report
Rhestr Termiau: 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:	Not Applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	The financial impact is as set out in the LTA Board paper.
Ansawdd / Gofal Claf: Quality / Patient Care:	The report sets out the current RTT Waiting Times within other Health Boards. This work is critical to supporting and working with other Health Boards to ensure timely access to treatment.
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Included within the report
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Possible impact upon relationship with Swansea Bay University Health Board (SBUHB) and Cardiff and Vale University Health Board (CVUHB)
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable