

PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 April 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, Assistant Director of Commissioning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

Long-Term Agreements (LTAs) in 2021/22 were subject to a block arrangement between Health Boards in Wales. This arrangement was in place since the start 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. Going forward into 2022/23 the block arrangements have been deemed inappropriate and a hybrid approach has been adopted. However, as explained in previous Committee meetings, the report will provide a focus on Referral to Treatment Time (RTT), performance metrics in addition to the financial implications.

Furthermore, the Planned Care Business Partners in conjunction with the Commissioning Team are supporting the Planned Care Directorate around outsourcing to the independent sector, which is funded through Welsh Government (WG) Recovery monies.

Cefndir / Background

Whilst this has been previously described to the Sustainable Resources Committee, it is prudent to set out the principles underpinning the block arrangements:

- 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 have continued 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.
- Going forward, the block arrangements have been deemed inappropriate. Consequently, an All-Wales Financial Flows Workstream Sub-Group has been established, with the task of developing an approach to LTAs for 2022/23. The interim approach has been agreed and is described in further detail in the 2022/23 Long Term Agreement Outlook report, attached at Appendix 1.

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. One of the key

areas of recovery is the outsourcing of activity to the independent sector. This report will also articulate the current position relating to outsourcing and next steps.

Asesiad / Assessment

The three main areas of focus will be on the contractual delivery, waiting lists within the Health Board's main providers, and the contracts that the Health Board has in place with the Independent Providers.

LONG TERM AGREEMENTs (LTA)

2021/22 – MONTH 11 (M11) LTA position.

The current assessment is based on the M11 LTA position.

Month 11 Total LTA Position

The Variance to Plan and Variance to Block as at Month 9 (M9) was reported to the Committee at its meeting on 23rd February 2022 – see below:

Variance to Plan	(£3,719,222)
Variance to Block	(£3,457,960)

The table below demonstrates an overall decrease in financial performance (excluding Welsh Health Specialised Services Committee (WHSSC)):

- Plan (£212,936)
- Block (£252,708)

Expenditure M11

LTA Contract	Plan	Actual	Variance	Block Value	Variance to Block
Aneurin Bevan	£268,979	£253,310	-£15,669	£290,070	-£36,760
Betsi Cadwalladr	£281,447	£291,434	£9,987	£238,131	£53,303
Cardiff & Vale	£5,854,549	£5,817,549	-£37,000	£5,578,000	£239,549
Cwm Taff Morgannwg	£475,600	£382,480	-£93,120	£462,337	-£79,857
Powys	£189,275	£189,275	£0	£195,754	-£6,479
Swansea Bay	£36,188,293	£32,391,937	-£3,796,356	£36,272,361	-£3,880,424
Velindre	£1,092,218	£1,044,220	-£47,998	£1,052,446	-£8,226

TOTAL: Non WHSSC	£43,258,143	£39,325,985	-£3,932,158	£43,036,653	-£3,710,668
WHSSC	£111,178,236	£109,290,059	-£1,888,177		
TOTALS:	£154,436,379	£148,616,044	-£5,820,335		

**Please note there is no block value for WHSSC as per other Welsh health boards*

The main areas of change are Swansea Bay University Health Board (SBUHB) (£128,000) decrease, LTA £21,000 increase and NICE (£150,000 decrease) and Cardiff and Vale University Health Board (CVUHB) (£137,000; decrease).

SBUHB High Cost Drugs (HCD) - Since M9, there has been an increase in SBUHB forecasted underperformance of (£150,000); MS drugs have decreased by (£62,000), HIV (£15,000) and Cancer Drugs by (£76,000).

	MTH 9	MTH 11	Movement	
DAROLUTAMIDE	20,000	0	-20,000	Cancer
OLAPARIB	218,605	194,190	-24,416	Cancer
POLATUZUMAB	20,000	0	-20,000	Cancer
DABRAFENIB	597,522	586,160	-11,362	Cancer
SIPONIMOD	50,000	0	-50,000	MS
ALEMTUZUMAB	67,632	55,335	-12,297	MS
HIV	196,078	181,165	-14,913	HIV
Various			3,178	
			-149,809	

CVUHB – M9 to M11 CVUHB position has seen a reduction of (£137,000), moving from a forecasted £66,000 overperformance in M9 to (£71,000) underperformance in M11. This movement is mainly due to (£76,000) reduction in NICE and a (£51,000) reduction in High-Cost Services, where there has been an 8% reduction in the number of days in Adult Intensive Care Unit (ICU).

Large Movement in Unit & Cost		Mth9	Mth11	£'000	
C&V	Main LTA	203	214	11	FY over Performance
C&V	Orthopaedics LTA	-950	-971	-21	Reduction in admissions, outpatients remained the same
C&V	NICE	486	410	-76	FY Under Performance - Reduction due to WHSSC funded drugs being removed
C&V	High Cost Services	327	276	-51	FY Under Performance mainly attributed to reduction in number of days in Adult ICU (8%)
				-137	

REFERRAL TO TREATMENT TIME (RTT) – Month 11

As at the end of February 2022, there were 8,313 HDdUHB residents awaiting treatment in other Welsh NHS Organisations within all stages of outpatient/diagnostic pathway. The volume and percentage change since April 2021 are provided below for each provider.

Provider / Health Board	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Qty Change	% Change
Aneurin Bevan (AB)	64	69	71	72	74	73	79	77	79	83	73	9	14%
Betsi Cadwaladr (BCU)	23	22	21	19	22	22	22	26	24	23	21	-2	-9.1%
Cardiff and Vale (C&VU)	918	978	1,005	1,043	1,058	1,086	1,129	1,144	1,134	1,163	1,181	263	28.65%
Cwm Taf Morgannwg (CTMU)	72	84	88	88	90	98	109	115	118	110	102	30	41.67%

Powys Teaching	7	5	9	11	20	25	16	15	16	12	10	3	42.86%
Swansea Bay (SBU)	5,289	5,322	5,566	5,816	6,206	6,351	6,546	6,794	6,885	6,910	6,926	1,637	30.95%
Grand Total	6,373	6,480	6,760	7,049	7,470	7,655	7,901	8,171	8,256	8,301	8,313	1,940	30%

The table above shows that there has been an increase in the month-on-month number of patients added to the waiting list. Within the 11 months under consideration, this has resulted in an increase in demand by 30% for HDdUHB residents waiting at other health boards. The majority of HDdUHB patients awaiting treatment at other Welsh health boards are with SBUHB and CVUHB.

CVUHB RTT New Outpatient (All waits)

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

Specialty	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Clinical Immunology And Allergy	162	167	178	179	180	186	183	188	174	181	185
Trauma & Orthopaedics	71	64	67	63	72	70	76	77	76	82	86
Neurosurgery	46	49	49	51	55	60	52	67	78	79	83
Paediatrics	28	32	31	33	27	19	22	30	31	39	42
Paediatric Surgery	58	57	59	51	38	32	35	39	45	47	40
Neurology	26	26	29	31	32	34	37	31	32	30	37
General Surgery	15	15	19	19	26	23	30	32	24	30	28
Ophthalmology	21	24	30	28	25	26	30	31	30	31	28
ENT	16	13	12	13	11	13	11	14	12	11	17
Dental Medicine Specialties	5	5	7	8	7	8	12	11	12	12	10
Gastroenterology	6	4	5	6	5	5	8	8	9	9	9
Cardiology	8	13	12	15	14	13	12	8	10	3	8
Dermatology	5	5	7	6	6	8	8	8	9	9	7
Oral Surgery	7	5	5	5	8	7	9	6	7	7	7
General Medicine	7	6	2	4	6	6	6	3	5	5	6
Gynaecology	2	2	3	8	7	8	6	9	8	9	6
Clinical Haematology	3	7	5	3	4	6	7	10	13	6	5
Clinical Pharmacology	5	3	3	2	3	4	4	6	9	6	5
Cardiothoracic Surgery	2	3	3	4	2	1	4	4	6	4	4
Geriatric Medicine	0	1	1	1	1	2	2	2	2	3	4
Paediatric Dentistry	1	2	2	1	2	2	2	2	2	3	4
Paediatric Neurology	1	2	4	4	5	6	5	4	3	4	3
Urology	2	3	1	3	5	7	4	5	3	3	2
Anaesthetics	2	3	2	2	3	3	4	4	6	0	1
Nephrology	2	2	1	1	1	1	0	0	1	2	1
Orthodontics	0	0	0	1	1	1	2	0	1	1	1
Rehabilitation Service	0	0	0	0	0	0	0	0	0	0	1
Pain Management	1	1	1	1	1	0	0	0	0	0	0
Respiratory Medicine	0	1	0	0	1	0	0	1	0	0	0
Restorative Dentistry	1	1	1	0	0	0	1	1	1	0	0
Rheumatology	0	0	0	0	0	0	0	0	0	0	0
Grand Total	503	516	539	543	548	551	572	601	609	616	630
% Month on Month Change		2.58%	4.46%	0.74%	0.92%	0.55%	3.81%	5.07%	1.33%	1.15%	2.27%
% Apr - Feb Change											25.25%

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 29.4% of the February 2022 waiting list. With the exception of a slight decrease in December 2021, they have continued increasing month on month.

An alternative commissioned pathway proposal is being undertaken for Clinical Immunology and Allergy, as a result of the Commissioning Team being notified of certain issues within the service. A working group has been established to identify pathway opportunities throughout HDdUHB for allergy care. The workstream spans the full care spectrum with a key focus on improving allergy provision for adolescents, developing an adult allergy service, and confirming the complex allergy pathways. Whilst a number of meetings have been stood down due to pressures in the system, they will be rescheduled imminently.

In the interim, the commissioning team has reached out to a number of NHS providers in England, to understand whether there is capacity to support the Health Board on a short-term basis. The University Hospital of Birmingham has confirmed that they should be able to support and treat approximately 100 patients. The preference of CVUHB is for Birmingham to take the whole patient pathway for a sub cohort of HDdUHB patients rather than part of a commissioned pathway. The Commissioning team is working with Birmingham to understand the feasibility and appropriateness in terms of the pathway and what this may look like.

Furthermore, recognising that there is a distance between HDdUHB and the University Hospital of Birmingham, the Commissioning team is assessing the opportunity to use digital technology and local provisions, to limit the number of patient journeys to Birmingham.

CVUHB RTT New Outpatient Appointments (>36 weeks) – Top 5 Specialties

Specialty	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Clinical Immunology & Allergy	92	93	95	100	102	108	102	103	102	113	116
Trauma & Orthopaedics	28	28	30	32	30	30	32	33	33	32	33
Ophthalmology	10	9	11	11	11	9	10	11	12	11	12
Neurology	6	10	10	10	12	10	10	7	6	6	8
General Surgery	7	8	9	8	8	8	9	7	6	4	4
Total (Top 5)	143	148	155	161	163	165	163	161	159	166	173
% Month on Month Change		3.50%	4.73%	3.87%	1.24%	1.23%	-1.21%	-0.03%	-0.01%	4.40%	4.22%
% Apr - Feb Change											20.98%

Grand Total (all Specialties > 36 wks)	166	168	176	180	184	186	183	182	178	181	188
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The table above shows the correlation between overall numbers on the waiting list and those waiting >36 weeks. Based on the aforementioned RTT metrics, the main >36 challenges include Clinical Immunology and Allergy, which has the greatest number of patients waiting over 36 weeks and accounts for 62% of the >36 week February 2022 waiting list. Based on the aforementioned action, a solution pertaining to the Allergy Service is anticipated.

SBUHB RTT New Outpatient (All waits)

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

Specialty	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Oral Surgery	1,109	1,155	1,196	1,292	1,321	1,325	1,349	1,395	1,429	1,435	1,510
Orthodontics	359	391	413	427	438	475	482	521	539	560	576
Trauma & Orthopaedics	320	344	372	404	434	427	456	453	493	525	534
Plastic Surgery	258	291	286	331	356	374	433	510	530	469	480
Neurology	59	55	66	102	243	232	237	266	263	253	198
Cardiology	86	79	94	99	101	112	117	113	118	87	99
General Surgery	66	63	67	70	80	83	82	84	96	103	97
Ophthalmology	60	64	69	71	69	73	71	81	74	80	76
Gynaecology	32	34	32	33	34	59	63	45	47	49	48
Rehabilitation Service	13	19	18	25	29	28	26	30	34	42	48
ENT	30	37	38	34	33	35	40	38	43	45	45
Cardiothoracic Surgery	32	39	45	51	52	58	62	48	45	44	34
Restorative Dentistry	130	105	90	78	58	66	51	40	43	38	33
Urology	28	26	31	35	37	40	40	42	39	28	28
Paediatrics	18	17	22	23	17	19	22	18	22	24	20
Dental Medicine Specialties	0	0	6	0	11	0	0	0	0	0	12
Dermatology	18	15	8	11	11	9	9	10	12	12	10
Gastroenterology	22	22	21	21	18	18	15	13	14	11	10
Nephrology	8	6	9	5	4	12	10	21	5	6	8
Clinical Haematology	2	2	5	4	4	3	3	1	1	3	6
Endocrinology	3	6	5	6	3	5	3	6	4	5	5
General Medicine	3	4	5	3	3	2	5	3	5	5	3
Geriatric Medicine	2	1	0	0	1	1	2	2	3	2	3
Paediatric Neurology	6	7	10	9	8	6	8	6	4	3	3
Respiratory Medicine	4	5	6	3	5	6	5	4	2	5	3
Rheumatology	1	3	4	7	5	5	5	5	4	2	2
Pain Management	0	0	1	1	0	0	0	0	1	0	0
Grand Total	2,669	2,790	2,919	3,145	3,375	3,473	3,596	3,755	3,870	3,836	3,891
% Month on Month Change		4.53%	4.62%	7.74%	7.31%	2.90%	3.54%	4.42%	3.06%	-0.88%	1.43%
% Apr - Feb Change											45.78%

The table illustrates a number of specialities experiencing challenges, which are demonstrating a deterioration in position. 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 Surgery accounts for the majority (39%) of the overall waits in February 2022 and has been increasing month on month since April 2021.

SBUHB RTT 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, with the exception of Neurology, which does not have any patients waiting > than 36 weeks.

Specialty	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Oral Surgery	470	507	534	591	620	618	628	651	686	742	794
Orthodontics	182	180	192	207	213	219	232	241	260	281	290
Trauma & Orthopaedics	119	128	134	144	149	148	164	167	177	189	208

Plastic Surgery	75	80	79	90	98	99	112	109	105	86	74
General Surgery	23	25	28	28	30	29	34	31	35	35	33
Total (Top 5)	869	920	967	1,060	1,110	1,113	1,170	1,199	1,263	1,333	1,399
% Month on Month Change		5.87%	5.11%	9.62%	4.72%	0.27%	5.12%	2.48%	5.34%	5.54%	4.95%
% Apr - Feb Change											60.98%

Grand Total (all specialties > 36 weeks)	1023	1059	1089	1193	1231	1227	1283	1302	1360	1434	1510
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Oral Surgery – this specialty is still an area of concern as the waiting list continues to increase, both in terms of overall numbers and those waiting >36 weeks for a new outpatient appointment. HDdUHB representatives have met with SBUHB to discuss. At the last meeting, the group agreed to focus on stabilising services and addressing/reducing backlog growth and to develop future opportunities for regional working. SBUHB was tasked with drafting a service specification proposal detailing services in order for a Service Level Agreement (SLA) arrangement to be implemented. HDdUHB has since received the SLA and a further meeting has been arranged with the Service Manager to request further detail.

Orthopaedic/Spinal Surgery – Due to the difficulties with receiving granular data from other HBs, the Commissioning team is in the process of writing to all Spinal patients who have had their surgery during 2021/22 at SBUHB, requesting feedback by means of a patient questionnaire. The questions are based on Patient-Reported Outcome Measures (PROMs) and Patient-Reported Experience Measures (PREMs) and the Commissioning team will work with Quality and Value Based Healthcare colleagues to analyse the results.

Neurology – The jump in neurology referrals is attributable to “Referral from a Consultant or Independent Nurse, other than in an A&E department”. There was an increase of 240% in July 2021, compared to June 2021, and a further increase of 282% in August 2021, compared to July 2021. SBUHB have investigated and advised that the rise is due to the accurate reporting of a Multiple Sclerosis (MS) clinic, which was previously paper based.

Areas of Collaborative Work and Review

Based on the RTT information received, it is highly probable that many of the services will require a significant period of time to recover. It is paramount that HDdUHB continues to work closely with SBUHB, and that both Health Boards support each other via collaborative and regional solutions to ensure that the multitude of challenges can be addressed collectively. Consequently, a Regional Commissioning Group (RCG) has been established with SBUHB, the first meeting was held in November 2021 and a follow up meeting in March 2022. The agreed priority areas include Oral Maxillofacial Surgery and Orthopaedics/Spinal (as above). The next meeting is scheduled for May 2022.

In summary, the Healthcare Contracting and Commissioning Team continues to work with other health boards and/or Trusts to source alternative capacity to alleviate the pressure on both Health Boards. Unfortunately, there is currently limited capacity available to re-direct or re-commission many of the services that are under extreme pressure.

Cancer

In line with reviewing and co-chairing the longer-term Cancer Strategy between health boards, HDdUHB continues to actively engage and understand the pressures on Cancer Services at Singleton Hospital to ensure that a full understanding of the pressures by tumour site can be collectively addressed.

January 2022 position / tumour site:

Tumour Site	Total No. of patients treated	No. of patients treated within target	%	Tumour Site	Total No. of patients treated	No. of patients treated within target	%
Head and neck	6	2	33%	Breast	12	2	17%
Upper Gastrointestinal	11	7	64%	Gynaecological	10	1	10%
Lower Gastrointestinal	18	5	28%	Urological	30	11	37%
Lung	15	11	73%	Haematological	12	7	58%
Sarcoma	2	1	50%	Acute Leukaemia	0	0	N/A
Skin(c)	53	45	85%	Children's cancer	0	0	N/A
Brain/CNS	0	0	N/A	Other	2	1	50%

- At the end of January 2022, the total volume of active patients on the pathway was 13% higher compared with the same week in 2021; Lower GI being 50% higher, Upper GI 81% higher.
 - Lower GI accounts for 34% of all patients on the pathway (a reduction of 39% from the previous month) and 40% of all patients in the backlog.
- Volumes at the diagnostic stage increased through January 2022, with Lower GI volumes in particular accounting for 51% of the total diagnostic waits.
- Total treatment wait volumes decreased during January 2022.

Main Issues:

- Continued impact of COVID-19 restrictions on the services and the cancer pathway.
- Staffing deficits due to sickness, self-isolation, annual leave and vacancies.

Mitigating actions to improve performance:

- Remains in an escalated state of increased monitoring – the Deputy Chief Operating Officer (COO) attends weekly meetings with Services and relevant Clinical Leads to discuss, scrutinise and monitor improvement plans.
- Cancer Performance Service Manager – interviews for this post were held in March 2022.
- Gynaecology
 - Appointed 1 Gynae-Oncology Surgeon (commencing May 2022), 2 Senior Clinical Fellows (commence May and July 2022).
 - Weekly Ultrasound Scanning Services (USS) Waiting List Initiative (WLI) clinics continue for post-menopausal bleeding
- Breast
 - Interviews for 2 Consultant Breast Surgeons held in March 2022. 2 Breast Radiologists appointed (commence May and July 2022).
 - 2nd of 3 all day WLI clinic held in February 2022, for one-stop diagnostic/Ovine Pulmonary Adenocarcinoma (OPA). Further clinic held on 12th March 2022.
 - Outsourcing of Breast surgery – 2 lists planned in March 2022.
 - Develop case to train additional nurse hysteroscopists.
- Rapid Diagnosis Centre (RDC) expansion to now include colorectal, neck lumps, and a biopsy service for Malignancy of unknown origin (MUO).
- Radiology
 - Mobile CT scanner implemented until June 2022, with potential for extension.
 - Further funding to be agreed for reporting
 - Shortlisting for newly qualified Band 5 radiographers undertaken in March 2022. Funding approved to appoint 30. HDdUHB received interest from 34 candidates from Cardiff.

- Extended working days for CT to commence in Morriston from February 2022 (already in place at Neath Port Talbot Hospital (NPTH))
- The introduction of electronic referrals has been delayed until May 2022 due to system issues.
- Currently working on escalation policy

OUTSOURCING/INSOURCING – Independent Sector Contracts

During 2021/22 there was a significant and ambitious outsourcing and insourcing plan with the independent sector in order to alleviate pressure within HDdUHB hospital sites.

This was a similar picture across Wales, with other health boards also accessing capacity from Independent Providers where possible. Unfortunately, this led to health boards competing with each other for the same scarce resources, resulting in limited capacity and an increase in costs. It is also important to note that the number of Independent Providers in Wales is significantly less than in England, therefore the availability of capacity was further reduced from the onset.

2021/22 Contracts

The table below shows the 2021/22 outsourcing/insourcing volumes with providers, split by specialty:

Section	Portfolio	Provider	Sum of Total Volume	Sum of Year
Insourcing / outsourcing	Cardiology	St Josephs	60	85,280
		Dermatology	BMI (Werndale)	885
	Endoscopy	YMS	3,195	495,747
		Spire (Bristol)	59	59,933
		St Josephs	255	364,011
	General Surgery	BMI (Werndale)	67	219,058
		Sancta Maria	24	50,258
	Gynae	Spire (Bristol)	9	45,063
	Neurology	(blank)	0	195,000
	Ophthalmology	Community health and eye care	1,647	1,580,193
		Spa Medica/Werndale	1,480	1,730,707
	T&O	BMI (Bath)	7	58,678
		BMI (Droitwich)	22	140,293
		BMI (Werndale)	102	1,017,317
		Spire (Bristol)	28	44,961
	Urology	St Josephs	124	300,297
BMI (Werndale)		10	41,674	
Sancta Maria		35	26,528	
Insourcing / outsourcing Total			8,009	6,736,437
Grand Total			8,009	6,736,437

*Actuals will include an estimated volume for March until actual volumes are confirmed

The Year to Date (YTD) financial delivery is £6,736m relating to insourced/outsourced activity. The majority of the expenditure is attributed to Ophthalmology Services. Regular strategic meetings between HDdUHB and the Independent Sector providers are undertaken to understand the position and increase the level of patient activity until the end of the contracts.

The availability of capacity has become extremely challenging, predominately due to the limited overall Independent Sector capacity. This limited supply is met with unprecedented demand from other health boards, Clinical Commissioning Groups (CCGs) and NHS Trusts. Subsequently, despite the best efforts of all concerned, the capacity proposed and submitted to WG is saturated and/or reduced at the point of execution.

2022/23 Contracts

Many of the above contracts expired at the end of March 2022, however some had an extension clause until 30th June 2022. The outsourcing experience in 2021/22 has been mixed, with many providers disappointingly failing to deliver on their quoted activity, and a high internal rejection rate of people desiring to travel further afield, particularly with regard to the Cataract service. This has shaped the Health Board's thinking in terms of which providers to utilise the finite internal and external resources on for future outsourcing opportunities.

Agreement has therefore been reached to extend the following: -

Type	Provider	Specialty	Volumes Qtr1	Avg Cost per case	£
Outsourcing	Community Health and Eye Care (CHEC)	Ophthalmology	1200	1100	1,320,000
Insourcing	YMS	Dermatology	1290	167	216,000
Insourcing	Medinet	Neurology	1080	72	78,000
		TOTAL	3570		1,614,000*

Patient Outcomes/Quality Metrics-Independent Sector

The information below is the latest feedback received from the Independent Sector contracts that HDdUHB has commissioned. As previously highlighted to the Committee, the Commissioning team has endeavoured to capture the patient experience within the Independent Sector.

Community Health Eye Care (CHEC)

March

Ophthalmology		
31% response rate		
Positive	Negative	Neutral
93.3%	2.63%	4.07%
Comments	<p><i>"The reception and treatment were so kind and skilful, and the results so wonderful cant thank you all enough"</i></p> <p><i>"Post-surgery instruction good. No information re. follow up."</i></p> <p><i>"I thought discharge was extremely quick."</i></p> <p><i>"Very happy with the service I received, quite prompt and I didn't have to wait long."</i></p>	

"Given polite welcome. Found entrance steps to mobile unit very steep. On arrival found reception closed. Clinicians returned late from lunch break after appointment time."

"I thought the care received was absolutely incredible, the attitude of staff wonderful, I felt secure, all my questions were answered well, so any apprehensions I had about the service are gone, I worked for the health care service all my life and thought I could have received any better care!"

"The care I received at the mobile centre was excellent, thank you!"

"Excellent treatment, great place to go the mobile unit was nice, new and clean and the staff were great. I would be more than happy to come again and will be recommending you to my friends."

Please note - following unsubstantiated patient safety concerns regarding the service provided by CHEC at its premises in Bridgend, the HB at the end of last year, carried out an unannounced quality visit. Whilst the visiting team identified areas for improvement, there were no significant patient safety concerns identified and therefore no requirement to immediately suspend the service. The team has consequently pulled together their findings in a report, which contains a number of recommendations. The report has been shared with CHEC, who has provided a quality report action plan in response. The action plan is currently being reviewed by HDdUHB quality colleagues.

However, unfortunately there have been 3 recent patient complications, which are currently under investigation, and it has therefore been agreed to temporarily suspend the service until further notice.

St Joseph's Hospital

March – Orthopaedics 42% response rate

Would you recommend	Extremely Likely	Likely
	7	1
Overall Experience	Very Good	Good
	8	0
Compliments	Positive	Negative
	8* Overall Experience	0
Comments	"Excellent service - felt at ease at all times" "Perfect - spot on" "I couldn't fault any of my treatment- first class"	

March – Endoscopy 83% response rate

Would you recommend	Extremely Likely	Likely
	67	1
Overall Experience	Very Good	Good
	67	1
Compliments	Positive	Negative
	65* overall experience	1 * Long way to travel
Comments	"Communication 5 star" "Everything made me feel relaxed" "Everything possible to make me comfortable and safe" "Informative, caring, felt at ease for the whole time, nothing too much trouble"	

	<p>"Very caring, explained everything, answered all my questions and put me at ease"</p> <p>"Caring, sensitive, empathic, lovely experience"</p> <p>"From the moment I arrived everything ran smoothly, everyone was pleasant, helpful and put me at ease. I Highly recommend"</p>
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The above shows that the overall patient experience for March 2022 was positive across both Orthopaedics and Endoscopy, noting that the 1 negative compliment was due to the distance to travel.

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to discuss the content and receive assurance from the mitigating actions detailed in the Healthcare Contracting, Commissioning and Outsourcing Update report.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	<p>3.3 Scrutinise the roll out of Value Based Health Care (VBHC) through outcome capability and costing assessment (PO 6B, 6D, 6E, 6F).</p> <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 Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable
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Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Contained within the report
Rhestr Termau: Glossary of Terms:	Contained within the report
Partion / 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

PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 April 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	2022/23 Long Term Agreement Outlook
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)**

Er Sicrwydd/For Assurance

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

Long-Term Agreements (LTAs) in 2021/22 were subject to a block arrangement between health boards in Wales. This arrangement was in place since the start 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. Going forward into 2022/23, the block arrangements have been deemed inappropriate and therefore, a hybrid approach has been agreed and adopted.

The principles have been agreed and ratified via the Directors of Finance forum. The purpose of this report is to summarise the agreement reached on the All Wales LTAs for 2022-23 at the All Wales Director of Finance meeting held on 18th March 2022. This report will serve as a useful comparator and an illustrative example of how the 2022/23 principles would impact on the 2021/22 performance, should the current run rate continue.

The table below sets out the 2022/23 LTA contract values for expenditure.

Expenditure LTA Contract Values

Health Board	Description	Annual Value 22/23	Start Date	End Date
Swansea Bay UHB	Provision of clinical services to Hywel Dda residents in and by Swansea Bay UHB	£37,450,788	01-Apr-22	31-Mar-23
Aneurin Bevan UHB	Provision of clinical services provided to Hywel Dda UHB residents	£276,510	01-Apr-22	31-Mar-23
Betsi Cadwaladr UHB	Provision of clinical services provided to Hywel Dda UHB residents	£289,328	01-Apr-22	31-Mar-23
Cardiff & Vale UHB	Provision of clinical services provided to Hywel Dda UHB residents	£6,018,476	01-Apr-22	31-Mar-23
Cwm Taf Morgannwg UHB	Provision of clinical services provided to Hywel Dda UHB residents	£488,917	01-Apr-22	31-Mar-23
POWYS LOCAL HEALTH BOARD	Provision of clinical services provided to Hywel Dda UHB residents	£194,575	01-Apr-22	31-Mar-23
VELINDRE NHS TRUST	Provision of clinical services provided to Hywel Dda UHB residents	£1,122,800	01-Apr-22	31-Mar-23

WHSSC&EEASC	Provision of clinical services provided to Hywel Dda UHB residents (NB - No document exchange or signatures on this LTA)	£114,217,032	01-Apr-22	31-Mar-23
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The above total quantum is circa £160,058,426.

Cefndir / Background

Financial Flows Workstream 2022/23 Agreement

The All Wales Director of Finance 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 Directors of Finance 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

Options and Decisions

The tables below set out the options identified, and the decisions reached at the All Wales Director of Finance meeting on 18th March 2022.

Non admitted / Outpatient incl. Regular day attenders and Ward attenders

	<u>Options</u>	<u>Decision</u>
Contract Model	Block OR Cost & Volume – same as Elective	Block
Activity / Cost	19-20 Activity Baseline <ul style="list-style-type: none"> • Actual Activity • Actual Cost Plus LTA inflation to 22-23	Agreed
Activity Tolerance	n/a	n/a
Marginal Rates	n/a	n/a
Recovery Activity	Activity delivered beyond 19-20 levels at an enhanced rate	n/a

Non-Elective

	<u>Options</u>	<u>Decision</u>
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Contract Model	Block OR Cost & Volume	Cost & Volume
Activity / Cost	19-20 Activity Baseline <ul style="list-style-type: none"> • Actual Activity • Actual Cost Plus LTA inflation to 22-23	Agreed
Activity Tolerance	10% activity tolerance at Specialty level for underperformance for 19-20 levels to protect provider	10% Tolerance
Marginal Rates	Extant marginal rates for activity below tolerance	Agreed
Recovery Activity	Activity delivered beyond 19-20 levels at an enhanced rate	70% Marginal Rate for Recovery Activity (or extant if greater)

Elective

	<u>Options</u>	<u>Decision</u>
Contract Model	Cost & Volume	Cost & Volume
Activity / Cost	19-20 Activity Baseline <ul style="list-style-type: none"> • Actual Activity • Actual Cost Plus LTA inflation to 22-23	Agreed
Activity Tolerance	5% activity tolerance at Specialty level for underperformance for 19-20 levels to protect provider	10% Tolerance
Marginal Rates	Extant marginal rates for activity below tolerance	Agreed
Recovery Activity	Activity delivered beyond 19-20 levels at an enhanced rate	70% Marginal Rate for Recovery Activity (or extant if greater)

All PODs

Efficiencies / Service Change	<p>Proposal:</p> <ul style="list-style-type: none"> ➤ Any agreed LTA baseline adjustments to be transacted as normal and planned – e.g. repatriations, investments, disinvestments, service changes etc <p>Decision:</p> <ul style="list-style-type: none"> ➤ Agreed
Pass through Payments	<p>Proposal:</p> <ul style="list-style-type: none"> ➤ NICE HCD, Blood Products and other current pass-through arrangements to remain on existing LTA bases – usually actual cost incurred/recharged To continue <p>Decision:</p> <ul style="list-style-type: none"> ➤ Agreed

Other

Activity Tolerance - Velindre	<p>Proposal:</p> <ul style="list-style-type: none">➤ Umbrella proposal for all commissioned (PODs) Cancer Services to reflect pathway component of the service. Baseline efficiency adjustment below 90% of 19-20 levels ie 10% tolerance.➤ Extant marginal rates for activity below tolerance.➤ Activity delivered beyond 19-20 levels at an enhanced rate of 70% (or extant if greater)➤ Mechanism for premium rate outsourcing is required <p>Decision:</p> <ul style="list-style-type: none">➤ 10% Tolerance, application of marginal rates agreed.
WHSSC	<p>Proposal:</p> <ul style="list-style-type: none">➤ WHSSC to have some flexibility to implement its JC agreed ICP, but with the principles set out here guiding their approach with providers, or as a fall-back position <p>Decision:</p> <ul style="list-style-type: none">➤ Agreed
Screening SLAs	<p>Proposal:</p> <ul style="list-style-type: none">➤ 19-20 Contracted Activity Baseline➤ Plus LTA inflation to 22-23➤ Adjusted for Service Changes <p>Decision:</p> <ul style="list-style-type: none">➤ Agreed
Microbiology	<p>Proposal:</p> <ul style="list-style-type: none">➤ Cost & Volume - 19-20 Activity Baseline➤ 10% activity tolerance for underperformance for 19-20 levels to protect provider➤ Activity delivered beyond 19-20 levels at extant marginal rate (typically 50%)➤ Adjusted for Service Changes <p>Decision:</p> <ul style="list-style-type: none">➤ Agreed
'Other SLAs'	<p>Proposal:</p> <ul style="list-style-type: none">➤ Where activity-based - Back to Cost & Volume, 19-20 activity/financial baseline + inflation, 10% tolerance for under performance with extant marginal rates beyond, Full/Enhanced rates for delivery over 19/20 out-turn➤ Where not activity-based – Block, 19/20 financials + inflation, adjusted for agreed changes➤ Any separate bi-lateral agreement may take precedent but this is the default / fall-back position <p>Decision:</p> <ul style="list-style-type: none">➤ Agreed

2023/24 Onwards

This is a one year agreement only, and there is no agreement regarding the approach to 2023-24. Should there be a further significant COVID-19 wave, which has a material impact on elective activity, this agreement will be reviewed to assess the impact on activity levels.

It is recommended that the Financial Flows Workstream sub-group is requested to meet on a monthly basis to review performance against the agreement set out above and to begin discussions on the approach to 2023-24 and beyond.

Asesiad / Assessment

The table below shows an indicative impact of the Health Board to Health Board contracts if the 2021/22 performance was to be replicated in 2022/23 (not including Welsh Health Specialised Services Committee (WHSSC)).

	<i>Block</i>	<i>Cost & Volume</i>	<i>Forecasted Over/(Under Performance)</i>
Swansea Bay	14,255,626	22,196,267	-1,948,320
Cardiff & Vale	2,583,829	3,350,975	465,017
Cwm Taf	96,963	192,704	16,067
Aneurin Bevan	51,800	245,257	5,651
Betsi	15,534	183,768	176,661
Powys	32,560	183,099	-1,852
	17,036,311	26,352,070	-1,286,776

The £1.3m is predicated on the current under-performance (below plan), including the 10% tolerance agreed via the Directors of Finance. The £1.3m is therefore based on the 70% marginal rate rebate (or greater) principle.

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to discuss the content and take assurance from the actions the Contracting team is undertaking and note the mitigating actions detailed in the Healthcare Contracting, Commissioning and Outsourcing Update report.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	<p>3.3 Scrutinise the roll out of Value Based Health Care (VBHC) through outcome capability and costing assessment (PO 6B, 6D, 6E, 6F).</p> <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

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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