



**PWYLLGOR ADNODDAU CYNALIADWY
SUSTAINABLE RESOURCES COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 June 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Healthcare Contracting and Commissioning Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Director of Strategy and Planning
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 Sicrwydd/For Assurance

ADRODDIAD SCAA SBAR REPORT
<u>Sefyllfa / Situation</u>
The report is to update the Sustainable Resources Committee (SRC) on the current noteworthy areas within commissioning.
<u>Cefndir / Background</u>
Hywel Dda University Health Board (HDdUHB) has established several contractual arrangements and commissioned pathways with Welsh NHS bodies for the provision of secondary healthcare services.
Recognising the significance of these arrangements and the required associated relationships to drive these forward and ensure successful delivery, it is important to outline the steps that have been taken to date.
<u>Asesiad / Assessment</u>
The main areas of focus will be on the areas of concern or noteworthy observations within the Health Board's main providers.
<u>Argymhelliad / Recommendation</u>
The SRC is requested to RECEIVE ASSURANCE from the mitigating actions detailed in the Healthcare Commissioning Update report.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.4 Maintain oversight of, and obtaining assurances on, the robustness of key income sources and contractual safeguards.

	<p>3.5 Review major procurements and tenders, such as outsourcing, in relation to achieving Referral to Treatment targets.</p> <p>3.6 Commission regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.</p> <p>3.9 Review any investment/ disinvestment strategy, including Procurement and Contracting Strategy, maintaining oversight of the investments and disinvestments, ensuring compliance with policies by:</p> <ul style="list-style-type: none"> • Establishing the overall methodology, processes and controls which govern investments and disinvestments, including the prioritisation of decisions; • Ensuring that robust processes are followed; and • Evaluating, scrutinising and monitoring subsequent investments/ disinvestments.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	3. Data to knowledge 4. Learning, improvement and research
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	2 Financial recovery and route map 4 Planned care, diagnostics and cancer Recovery
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Ar sail tystiolaeth: Evidence Base:	Contained within the report
Rhestr Termiau: 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:	Not applicable

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



Recap of Current Position: The Directors of Finance (DoFs) in 2019-20 agreed for the Velindre contracts to be rebased, to ensure they were more fit for purpose and adequately suited current practices and requirements. It was agreed that this exercise would also include a Welsh Health Specialist Services Committee (WHSSC) rebase reflective of re-classification of commissioned services.

At that time, one of the principles underpinning this agreement was to neutralise financial impact from the year of implementation. This was to ensure that any change to baseline contract values does not destabilise Commissioners or Trust financial planning. The rebasing exercise has recently been undertaken and at high level for Hywel Dda University Health Board (HDdUHB), this is as follows:

- **Core contract** – HDdUHB has seen a decrease in utilisation (including WHSSC) from a baseline of 1.49% in 2019-20 to 0.81% Outturn in 2022-23 (relative commissioner shares based on performed activity out-turn)
- **High Cost Drugs (HCD)** – HDdUHB has seen a significant decrease in HCD from circa £650k (risk share) to circa £90k (actual)

Consequently, the HB has written to Velindre to advise that they are unable to support the proposed rebasing adjustments on 3 main grounds: -

1. **Inconsistent baselines and time periods:** Different time periods have been used for costing the new baseline. This inconsistency raises concerns about the fairness and accuracy of the proposed adjustments.
2. **Lack of opportunity to realise the reduction in resources:** The proposed reallocation of funds fails to recognise the reduction in HDdUHB's utilisation of Velindre services over time, which is primarily due to the increased internal oncology services and activity within the South West Wales Cancer Centre (SWWCC)
3. **Adherence to Commissioning Principles:** HDdUHB strongly believes that the reallocation of funds from underperforming to overperforming Health Boards undermines the fundamental principles of commissioning. As commissioners, we have a responsibility to ensure that resources are allocated in a way that best serves the needs of our population. The proposed reallocation would essentially penalise the Health Board for making strategic decisions to redirect activity closer to home.



Summary of Current Position/Actions:

As per the escalation framework, DoF-to-DoF meeting took place with representatives from planning present. Discussion focused on the principles being applied and as an outcome, it was agreed that:-

- **ACTION:** Both Velindre and HDdUHB would set out their positions, to include a financial reconciliation and fact-finding exercise, in the hope of resolving any discrepancies.
- Within this exercise, HDdUHB are clearly illustrating the difference between actual utilisation versus payment, to demonstrate the financial discrepancies and/or the shortfall in expected rebates.

In the event that a resolution is not reached, an arbitration case has been drafted in readiness for submission to WG.



Provider: SBUHB

Recap of Current Position: A joint Orthopaedic/Spinal business case between SBUHB and HDdUHB was submitted to WG in 2023. The purpose of which was to achieve the ministerial targets by the end of March 2024, and to set out the mechanism for both Health Boards to deliver a comprehensive sustainable service for the population of south-west Wales for the future. Most notably the Business Case mentioned that the Region would benefit from circa 3500 additional procedures through the NPT development.

Consequently, WG allocated the following Regional Orthopaedic monies:-

HB	PYE 23/24 £m	Recurrent FY impact £m
HDdUHB	2.7	3.6
SBUHB	14	18
Total	16.7	21.6

The allocations were made on a “provider basis” and where, for example, they include patients from other health boards the commissioning body will not be charged for this activity from 1 August 2023 onwards.

The activity is monitored through the LTA and since Month 5 2023/24, this has been on a block arrangement (LTA elective contract of circa £2.6m). However, current analysis reveals SBUHB has consistently failed to meet pre-agreed service volumes and quality benchmarks for elective orthopaedic services, prior to additional activity through the regional funds.



Summary of Current Position:

HDdUHB has written to SBUHB outlining HdUHB's position with regards to the regional monies, in summary as below: -

- SBUHB continues to double charge by claiming funds for elective orthopaedic and spinal services under both the LTA whilst in receipt of the additional regional funding, despite not delivering the LTA as the clear prohibition outlined in the WG funding letter (July 2023).
- HDdUHB firmly believes that SBUHB's implication that they can retain the LTA monies while also receiving the regional funding is unreasonable, contradictory, and tantamount to double charging.
- As a result, HDdUHB are entitled to withdraw elective orthopaedic and spinal funding from the LTA to prevent further double charging and ensure that resources are allocated effectively to achieve the intended regional outcomes.
- The prohibition on double charging applies equally to HDdUHB's provider contracts with SBUHB. As a result, HDdUHB will also be removing the elective orthopaedic components from these contracts to ensure compliance with the WG's directive and to maintain the integrity of the regional funding arrangement.

Whilst numerous meetings have taken place to discuss, and despite the clear letter from WG regarding double charging, no agreement has been reached on the financial allocation. Consequently, an urgent meeting between DoFs has been scheduled for June 2024. However, in the event that a resolution is not reached, an arbitration case will be drafted in readiness for submission to WG.

SLA: Dual Energy X-Ray Absorptiometry (DEXA) Scans and Reports Provided by SBUHB



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Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Provider: SBUHB (Mobile Unit to HDdUHB Sites)

Summary of Current Position: HDdUHB has historically commissioned a Dual Energy X-Ray Absorptiometry (DEXA) service for the south of the HDdUHB area from SBUHB via a mobile unit that travels between the three hospital sites in the south of HDdUHB at Glangwili Hospital (GGH), Prince Philip Hospital (PPH) and Withybush Hospital (WGH). The move is normally carried out monthly depending on demand from each hospital area. HDdUHB has current concerns over the waiting times for HDdUHB residents for scans and reports.

Summary of current status/actions:

- Executive-to-Executive discussion has taken place, agreed to enhanced rate for full clinical report.
- Service meeting took place in May 2024, where the following was agreed: -
 - **Prioritisation process** – HDdUHB to develop a prioritisation process for new referrals.
 - **Technical reports** – HDdUHB to confirm with secondary care colleagues whether content to receive technical report with the potential to interpret scans, a temporary arrangement whilst clearing the backlog. However, the majority of referrals are from primary care clinicians, therefore the impact will be minimal.
 - **Trajectories** – SBUHB to provide activity trajectories for both scans and reports in order to address the backlogs. However, concern is that recovery will take a while and scanning will recover quicker than reporting, therefore leading to a larger gap between scan to report time. There is also a significant financial ask to address this backlog, HDdUHB proposal would be to utilise the 3.67% or explore underperforming areas within the LTA.
 - **MDS** – SBUHB confirmed to send key information on a routine basis, which has not been forthcoming to date, this includes MDS information for both scans and reports.

Alternative provision - HDdUHB continues to seek alternative provision and options: -

- **Training for the reading of reports** – HDdUHB are exploring the viability of an in-house solution to this issue, which will require the upskilling of a physician to consequently mentor radiographer reporters – a physician has been identified, and question has been asked of SBUHB and Cardiff and Vale University Health Board (CVUHB) as to whether this is something they could help to provide.
- **CVUHB** – potential to support full patient pathway only (scans and reports), logistics with treat in turn and travel for patients.
- **Aberystwyth University** - DEXA scanner in place, ascertaining what support they are able to provide.



Oncology Outpatient Modernisation Group (led by HDdUHB)

Unsustainable model and ways of working – significant workforce fragilities and service inequities

Aim: To establish a transformational plan to achieve move to Oncology Outpatient provision in line with ‘Hub and Spoke’ model vision in Strategic Programme Case (SPC).

- The “Hub” is the SWWCC in Singleton Hospital
- The “Spokes” (for delivery of the 5 high-volume tumour sites) are GGH and PPH with SBUHB Oncology Consultants ‘visiting’ the HDdUHB hospitals to provide outpatient clinics for these 5 tumour sites.
- WGH and Bronglais Hospital (BGH) – outpatient clinics for the high-volume tumour sites are **delivered via digital solutions**. Patients attend the hospital and have support and presence of non-medical prescriber (NMP) (Clinical Nurse Specialist (CNS), Pharmacist or Staff grade workforce) in clinic, with the oncology Consultant based in the SWWCC running a remote or virtual clinic (for example using *Attend Anywhere*).

Summary of current actions:

1. Map the current outpatient activity, clinics and workforce involved in providing this service in both Health Boards and overly costs to give an understanding of the current resources. This is to ensure the Health Boards can appropriately work together to jointly design, deliver and implement any proposed future model. Furthermore, it is acknowledged that the current SLA in place is historic and has not been reviewed for several years. However, as an outcome, HDdUHB unexpectedly received a significant phased financial request for the current model. HDdUHB is currently validating the SBUHB view of the current model, however there is a need to look at the LTA arrangement also to ensure there is no double counting. If a financial ask is warranted, HDdUHB’s proposal would be to utilise the 3.67% or explore underperforming areas within the LTA.
2. Map the current information services that are in place in both Health Boards – to follow a patients pathway
3. Quality and Engagement Act (duty of quality) – Quality Impact Assessment (QiA) and Equality Impact Assessment (EQiA) to be completed at the point required.



Radiotherapy (RT) Modernisation Group (led by SBUHB)

Fifth Linear Accelerator (LinAcc) - Finalise fifth LinAcc strategic options appraisal – approach, templates and stakeholder involvement.

Regional Principles and Approach:

The strategic, high-level options for the future regional model were described in the SPC as: -

Option 1: Retain the status quo. Continue to deliver RT for the region out of SWWCC at Singleton Hospital. SWWCC would be preferred site for a fifth LinAcc;

Option 2: Rebalance provision of RT across the region, with two potential models proposed as part of a Satellite RT Centre in HDdUHB region. Model involves redistribution of four existing LinAccs as they become ‘end of life’ and replaced over next 5 to 10-year period, plus a new fifth LinAcc.

Summary of Current Position and Actions:

Jointly carry out a fifth LinAcc options appraisal: -

- Task and Finish Group set up to review and finalise the documentation required to progress with the fifth future RT LinAcc service model.
- Need to move to fifth LinAcc model in 2026-27 and this would comprise of a major capital case to WG. Therefore, agreed the best approach would be to develop two Options Appraisals (OAs);
 1. Additional LinAcc (fifth LinAcc) as this is most pressing issue, likely to be within the SWWCC due to the timescales involved, options appraisal scheduled for June 2024.
 2. To assess the longer-term strategic options, for example to develop a satellite centre. The satellite centre model would require a minimum of two LinAccs, however they would not need to be built or go live at the same time. The option to house a LinAcc within the HDdUHB footprint would still be feasible due to the rolling LinAcc replacement programme.

3.67% Core Allocation Uplift



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HDdUHB has written to its main providers – SBUHB and CVUHB - regarding confirmation of how they intend to utilise the recent core allocation uplift of 3.67%, which has been provided to support unavoidable inflationary and demand pressures forecasted for the financial year 2024/25. To note, it is acknowledged that there are a number of interpretations on the mechanics of the 3.67%.

- **CVUHB (circa £130k)** – teams have subsequently met and were unable to reach a consensus due to the absence of delegated authority to deviate from the 3.67% pass-through rate for CVUHB as a provider. Consequently, discussions centred maintaining the 3.67% pass-through, while establishing a clear understanding of how the £130,000, representing 2.1% of the 3.67%, would be utilised to offset demand pressures as per the directive from WG. Consequently, the request is for CVUHB to reconsider their approach and clearly define how this will be utilised to support the demand pressures within the system.
- **SBUHB (circa £1.2m)** – it is disappointing to note that SBUHB have advised that their intention is to apply the uplift to each LTA contract line and to also “*cover unfunded provider cost base pressures*”. Consequently, the request is to work together collaboratively to identify, agree and evidence these pressures to ensure the appropriate application of the uplift. To be picked up in the DoF meeting scheduled for June 2024.



The WG deadline for agreement and signoff of the LTAs is the 28 June 2024, however, as previously outlined within the pack there are a number of areas that may potentially cause a delay in the agreement. In summary, they are as follows: -

- **CAVUHB**
 - 3.67% uplift allocation
- **SBUHB** – to be picked up in the DoF meeting scheduled for June 2024
 - 3.67% uplift allocation
 - Orthopaedics – regional monies
 - DEXA backlog SLA – significant financial ask to address the backlog, proposal would be to utilise the 3.67% or to explore underperforming areas in the LTA and resource reallocate.
 - Oncology Outpatients SLA – an unexpected phased financial request for the current model, HDdUHB are still working through the verification of this, however the proposal would be to utilise the 3.67% or to explore underperforming areas in the LTA and resource reallocate.
- **Velindre Cancer Centre**
 - 3.67% uplift allocation
 - Contract rebasing exercise



Robotic Assisted Surgery at Swansea – previously the only access to Robotic Assisted Surgery (RAS) available for the population of West Wales was the use of a robot in CVUHB for certain complex urological procedures such as prostatectomies. These procedures were carried out by SBUHB Consultants, and the cost was managed via a pass-through mechanism within the LTA.

However, SBUHB has successfully procured a robotic system and it is now fully installed and operational in Morriston Hospital. Consequently, patients will now receive care closer to home for urological procedures, as opposed to travelling to Cardiff. The intention is that the service will be expanded to include a wider range of surgical specialties when the robotic service for urology has been embedded within the organisation such as pancreatic surgery and lower gastro-intestinal are looking to do this.