

**PWYLLGOR ADNODDAU CYNALIADWY
SUSTAINABLE RESOURCES COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 April 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 RECIEVE 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

**Gwybodaeth Ychwanegol:
Further Information:**

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

Long-Term Agreement: Allergy (Non-Drug) provided by Cardiff and Vale University Health Board (CVUHB)



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Provider: CVUHB (**ceased 1 Nov 2023**)

Summary of current position: CVUHB wrote to Hywel Dda University Health Board (HDdUHB) to serve notice on the provision of the Non-Drug allergy service, due to its unsustainable position. Consequently, this arrangement ceased on 1 November 2023.

Summary of current actions:

- **Prior approval process** - Whilst there is no formal arrangement in place with a specific provider, referring clinicians are able to utilise the prior approval route. Since November 2023, the prior approval panel has received 35 allergy referrals – the majority to University Hospital Birmingham.
- **Potential arrangement with North Bristol NHS Trust** – The Health Board is scoping a potential arrangement with North Bristol NHS Trust and a meeting to progress with North Bristol NHS Trust has been held. This arrangement is predicated on the requirement to recruit, and North Bristol NHS Trust are looking for either a regional or national agreement, with a commitment of at least 3 years.

[Please see past SRC reports for further details](#)

Long-Term Arrangement : Velindre Cancer Centre – Contract Rebase



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Summary of Current Position: The contracting arrangement between Velindre Cancer Centre (VCC) and Health Boards has been in place for a number of years. Consequently, the Directors of Finance in 2019/20 agreed for the 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 Wales Health Shared 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 do not destabilise Commissioners or Trust financial planning. The rebasing exercise has recently been undertaken and at high level for Hywel Dda University Health Board, this is as follows:

- **Core Contract** – The Health Board has seen a decrease in utilisation (including WHSSC) from a baseline of 1.49% in 2019/20 to 0.81% OT in 22/23
- **High-Cost Drugs (HCD)** – The Health Board has seen a significant decrease in HCD from circa £650k (risk share) to circa £90k (actual)

Consequently, the Health Board has written to VCC 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 VCC 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

Long-Term Arrangements vs Regional monies: Orthopaedic/Spinal Elective and Daycase Activity at Swansea Bay University Health Board



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Provider: SBUHB

Summary of Current Position: A joint Orthopaedic/Spinal business case between SBUHB and HDdUHB was submitted to Welsh Government (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	Recurrent FY impact
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 Long-Term Arrangement (LTA) and, since Month 5 2023/24, this has been on a block arrangement (LTA Elective Contract = 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.

Consequently, HDdUHB are currently outlining options for the commissioning/contractual arrangements for 2024/25, which will be discussed with SBUHB.

Service Level Agreement: OPD Antenatal Care as a Satellite Clinic SBUHB Visiting Consultant Sessions



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Provider: SBUHB (Visiting Consultant Sessions)

Summary of current position:

All obstetric care can be provided within HDdUHB, however some HDdUHB-resident women, typically those on the Hywel Dda-Swansea Bay border, have historically chosen to give birth in SBUHB. Over the years, the numbers who choose to birth in SBUHB have dramatically reduced due to the increased provision of team midwifery model of care and continuity of care.

This arrangement has however resulted in the need for SBUHB to provide an antenatal satellite clinic service to these patients within the Hywel Dda area. These clinics are delivered by a Consultant Obstetrician and Associate Specialist doctors from SBUHB, one outpatient clinic/session per week, namely at Prince Philip Hospital (PPH).

Consequently, patients are currently having a disjointed pathway as scans and tests are carried out in HDdUHB, however their birth and obstetric inpatient treatment is delivered by SBUHB. This has given rise to a number of concerns, and therefore the safer model of care is for the women to choose from the offset to either birth in HDdUHB or SBUHB and have all their care from the same organisation.

Summary of current actions:

- Service together with commissioning team are working through a proposal to share with the Executive Team for agreement, prior to serving notice on the contractual agreement (SLA). There is also the possibility that the LTA needs realigning due to the investment seen within the service at HDdUHB.

SLA: Dual Energy X-Ray Absorptiometry (DEXA) Scans and Reports provided by Swansea Bay University Health Board (SBUHB)



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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 HB from SBUHB via a mobile unit that travels between three hospital sites in HDdUHB's area; GGH, PPH & 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 scanning and reporting.

Summary of current actions: Executive-to-Executive discussion has taken place, where the following was agreed:

- HDdUHB agree to pay the enhanced rate for comprehensive clinical reports for new referrals, to continue on a cost per case basis. This enables SBUHB to recruit to ensure sustainable staffing levels are in place, in order to maximise capacity and drive down waiting times. Please note, should HDdUHB choose to end this agreement and bring the service back in-house, recruitment is at the risk for SBUHB.
- SBUHB undertake clinical validation of the waiting list for scans and outstanding reports especially the long waiting patients to ensure that the backlog is accurate, and demand is minimised.
- The long-term aim is to have an equitable regional service across the two Health Boards and both Health Boards need to work together to plan for that regional service
- SLA documentation to be put in place which needs to be clear about working towards an equitable regional service in the future
- Service-to-service meeting scheduled for early May to progress.

[Please see past SRC reports for further details](#)



Oncology Outpatient Modernisation Group (led by HDdUHB)

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

Aim: Establish transformational plan to achieve move to Oncology Outpatient provision in line with the ‘*Hub and Spoke Model*’ vision in the Strategic Programme Case (SPC).

- The “Hub” is the SWWCC in Singleton Hospital
- The “Spokes” (for delivery of the 5 high-volume tumour sites) are Glangwili Hospital (GGH) and PPH – SBUHB Oncology Consultants ‘visiting’ 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 a 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/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 HBs.
2. Map the current information services that are in place in both HBs – to follow a patient's pathway
3. Overlay the identified activity from action 1 with the costs of currently providing this level of activity/service. Received from SBUHB and to be worked through.
4. Quality and Engagement Act (duty of quality) - Quality Impact Assessment (QiA) & Equality Impact Assessment (EQiA) to be completed at the point required.



Radiotherapy (RT) Modernisation Group (led by SBUHB)

Computed Tomography Simulation (CT SIM) – integral to RT treatment, currently 1 permanent CT SIM and 1 recommissioned CT SIM in place.

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

AIM 1:
Phase 1a - Recommissioned CT SIM 1 April – December 2024 (interim solution) – In place.
Phase 1b – Gap solution , extended working hours
Phase 2 – Develop second CT SIM Capital and Revenue Business Case approx. June 2025 (permanent solution)

Regional principles/approach:
 The strategic, high-level options for the future regional model were described in the SPC as:
Option 1: Retain status quo. Continue to deliver RT for the region out of SWWCC, Singleton Hospital. SWWCC would be preferred site for the 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 existing 4 LinAccs as they become ‘end of life’ and replaced over next 5–10-year period, plus new fifth LinAcc.

Summary of current actions:

- **Phase 1b** – Gap solution – extended working hours
- **Phase 2 Business Case (Health Board revenue and capital)** - received, and comments sent back to SBUHB. Capital planning initiated.

Summary of current actions:
 Jointly carry out fifth LinAcc options appraisal



- **SBUHB ITU (overperformance)** – there has been an increase in the number of ITU bed days utilised at SBUHB. Main specialties appear to be General Surgery and Cardiology. The reasons for the increased activity levels are currently being explored, including:-
 - Analysing the data over the last 3 years, to ascertain whether there is a trend
 - Working with the service to understand the factors contributing to this trend, for example, patient complexity, treatment protocols, or discharge planning

This quantitative and qualitative information will inform whether HDdUHB are able to recommission this activity differently and reduce the need for the contractual contract.

Commissioning and Finance colleagues have met with the Cardiology Service, who are currently reviewing the information to gather insights and provide necessary intelligence on the observed trends. To note, initial analysis illustrates that the patient numbers remain steady between 2022/23 and 2023/24, however there's a significant increase in the lengths of stay, prompting the need to understand the underlying reasons.

- **3.67% Core Allocation Uplift** – HDdUHB is intending to write out 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.