

Tender trap?

“Commissioning functions of PCTs to be put out to tender!” – that was the headline of the month when the DH placed a tender in the OCEU Journal inviting large private companies to prepare tenders to provide a whole range of services including, commissioning, clinical services, and finance and information to those PCTs who might wish to subcontract these.

Did NHS Alliance or anyone else know of this move? Apparently not. Ministers later apologised for drafting errors in the advertisement and withdrew it.

However the clarifications from ministers have said clinical services should not have been included, but yes – commissioning and other services are potentially to be tendered. Does this have implications for PBC? Well yes, because the tenders are directed at only large organisations with experience in the last three years of managing a healthcare commissioning budget of more than £300 million! These organisations could “support” practices to develop PBC as well as directly commission services from hospitals and are intended to manage commissioning rather than just be advisory!

So who could take on these roles? US healthcare maintenance organizations like United Healthcare and possibly large health insurers in this country, like BUPA, have the necessary credentials, but it is of note that both are key providers of clinical services as well. What safeguards will be put in place to prevent conflicts of interest with these new commercial commissioners directing provider work and money to their own organizations?.

Of course under PBC, General Practices can be both commissioners and providers, but as yet are largely prevented from making a profit under current rules, apart from through becoming providers of services.

And what does this mean for PCT staff, already nervously entering re-organisation and job applications? Now the smaller pool of available jobs could be smaller still if the new PCT boards decide to “outsource” large chunks of their services to private companies.

The debate rages on, but there does now appear to be a “Plan B” where PBC is not being embraced by PCTs and practices, or where it is not delivering the required outcomes!

Reports from the Federation show a mixed picture around the country but with up to 40% of practices having at least had their commissioning plans for the first part of the PBC DES accepted. Beneath this though there are still many practices without agreed indicative budgets, and a clear majority who are not getting all the prescribed benchmarked information on activity. There are still reports of PCTs being reluctant to let go and empower PBC, so was this advert in the OCEJ a wake up call to those PCTs, or maybe a warning to those practices who are still reluctant to become involved that if they don’t grasp the nettle, someone else will be asked to?

NHS Alliance is drafting a position statement on this issue but is clear that the issues involved are on a scale large enough to demand a fuller public consultation and debate than a tender notice allows. We look forward to being part of this for there does seem to be some opportunities in working with the private sector especially in the fields of data management and supply.

New NHS Alliance PBC Document

The NHS Alliance is pleased to announce the publication of a document produced in partnership with the DH “*Practice Based Commissioning: a Primary Care Led NHS*”, published on 6th July, 2006.

One key headline in this document is that the 70% savings on PBC budgets designated for practices, or groups of practices, to access and direct on patient care are “inviolable” and cannot be reclaimed by the PCT without the practice’s specific consent. This does form up even further the words of the PBC guidance and the PBC statement of 4th April 2006 and can leave PCTs and practices in no doubt as to the intentions of the Dept. of Health.

Copies of the document are available on the NHS Alliance website and will be distributed free to members.

Please read this and learn of both the successes and challenges of PBC in summer 2006!

However one key challenge now faces us I think - can, and will, English General Practice rise to the challenge of commissioning services before its all put out to tender!

There are some requirements though if we are to avoid this:

- PCTs will need to resource PBC and not just see this as a tool for performance managing practices
- Practices will have to start taking some responsibility for budgetary management
- Politicians will need to start being realistic in their demands and expectations of the service - you cannot get a plane off the ground by simply gunning the engine, you need to relax the throttle so you can pull the chocks out from under the wheels first!
- The PbR tariff still appears to drive production rather than help commissioners manage demand.
- Commissioners are still desperately short of quality, reliable and timely information streams (my own practice still has no budget data since 31/01/2006!) The problems I identified last month with the data showing falls in referral volumes, yet increased costs, remain unanswered!

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One year on...

So as summer builds NHS politics remain as interesting as ever and remember it was only a year ago, in late July, that the policy “Commissioning the Patient led NHS” was announced in parliamentary recess – I wonder what other holiday specials are in store for us this year!

Look out for the “Commissioning Framework” expected imminently and likely to further explain the rules around aspects of PBC – especially rules for tendering of future provider services under PBC. This will be an important document to read but we will issue another newsletter soon after its publication highlighting the key messages and implications for practices.

Be assured NHS alliance is surveying its members and will try to ensure that such important policy directions are actively debated and discussed.

Right – so what’s happening with PBC now?

First of all the good news. A large proportion of practices have agreed their commissioning plans with the PCT to gain the first part of the DES. Some have even secured some management costs in addition yet this remains a bone of contention for most. The Dept of Health is tightening its expectation that practices will retain 70% of their savings under PBC and these can only be used to offset deficits elsewhere with the practice’s or commissioning group’s explicit consent.

Tough words indeed, and although still only guidance, the sentiment will be very clear to PCTs. Please let us know if anyone is seeking to slip from this position and we will inform DH.

Big deficits though do mean some practices are receiving budgets smaller than those outlined in the guidance (but this is allowed in exceptional circumstances), again please let us know if this is happening to you.

Many practices have set up private companies looking to provide services under PBC but very few have won any contracts yet, again, please let us know if you have and are happy to share your experiences as we are getting lots of enquiries to this end.

The Improvement Foundation (NPDT) Practice Based Commissioning Programme – Update

The 28 sites on the national programme have now commenced the collaborative stage of the programme and have gone through the rigours of the 1st learning workshop in May where there was a focus on service re-design and still improving PBC systems. The workshop was highly evaluated by the 350 attendees with comments such as “ it has done more for PBC than 20 meetings could have!” and “inspirational, thought provoking, I would recommend others to attend”. Learning workshop 2 will take place in September.

We now have over 140 teams signed up for wave 2 who are all keen to learn from the achievements of wave 1. Project manager training and preparatory training for these sites has commenced. Wave 3 is due to start in September and the regional Improvement Foundation Centres will shortly be issuing further information.

A 4th webcast look place in May with Dr Luke Twelves from Huntingdon PCT focussing on the development of HuntsComm a Practices led organisation to take forward PBC. It is possible to download copies of the webcasts from www.improvementfoundation.org

Learning Exchanges are still being developed locally and the regional Improvement Foundation centre that will have further details for your area.

Health Direction Ltd and the Federation of Practice Based Commissioning Practices

We are very pleased to announce a partnership between the Federation and Health Direction Ltd. This allows federation members **free** access to the Health Direction NHS Analyser database. They have already mapped over 600 PBC clusters and are starting to compile the commissioning and provision plans of PBC clusters. We have chosen to partner with them for three main reasons:

Data Collection - They have a highly trained, knowledgeable team of data collectors - to be effective in collecting information from NHS organisations you need to understand the context of what you are asking for - All their collection staff have been with them a number of years and are steeped in the local NHS environment of each organisation.

Data Structuring - 1300 documents are collected each month ranging from board minutes to practice leaflets. They have a team of 10 editors that systematically categorise all this information, allowing the end users to instantly find the answers to their questions

Database Design - Their designers have one overriding aim - make their databases a pleasure to use and interrogate for their customers, and having used the NHS Analyzer database I would say they have succeeded. To access the database go to www.healthdirection.co.uk and click on the ‘request password’ section on the home page.

Each month, Health Direction will provide us with commentary of a key finding around PBC that has been revealed through the data and we will be presenting a joint workshop at the NHS Alliance Annual Conference in November on the first six months of PBC progress.

Please look at their database. The most common request from federation members is for details on what others are doing in terms of commissioning plans and inter-practice agreements and Health Direction are gathering data all the time.

In order to make this database even more helpful for members we plan to run a short survey in the next newsletter (due end July) to ascertain what information you most want to learn about and receive.

Practice Managers Conference July 4th/5th Birmingham, “Changes in Practice” in partnership with First Practice Management Forum (FPM)

This two day event attracted over 150 practice managers and GPs, and looked in depth at the challenges facing English General Practice. Feedback has been very positive and we were particularly delighted to see this unsolicited posting by a member of the FPM forum :

“Where were you all? This was a conference which had something for everyone. There was information, inspiration, humour, things to frighten, things to make you think and so many networking opportunities - but only about 150 delegates.

FPM and the NHS Alliance are to be congratulated on such a challenging and successful event, and the best way to congratulate them is to commit to attending next year. This is the only independent conference for practice managers, supported by your favourite network, so again I ask - where were you?”

Key presentations from the conference are available to download from www.changesinpractice06.co.uk

NHS Alliance is very pleased to be partnered with FPM as its electronic forum reaches over 4000 UK General Practices and is vital in sharing and solving lots of everyday general practice issues. If you are not a member contact Wendy Evans our practice manager lead at w.evans@nhsalliance.org for details.

NHS Alliance Provisional Statement on increasing the role of the private sector in the NHS

Following widespread speculation about the future role of the private sector, there has been a widespread call from NHS Alliance members to make the current position clear. This statement describes current Government position, NHS Alliance views on future development and action that is required.

Current Government position

NHS Alliance welcomes the Secretary of State's statement last week following claims that PCTs might be privatised. She said:- "PCTs are and will remain public, statutory bodies responsible for using their growing budgets to commission the best possible services for local people... They can never outsource this responsibility, or ask others to make these decisions for them".

This has done much to clear the air about the future of PCT boards and builds upon the evidence given Lord Warner, Minister of State, to the House of Commons Health Select Committee last year. He said:- "There is a very strong line of accountability for finance from the PAC and Parliament to the Department through the accounting officer of the Department, Sir Nigel Crisp, down the line to the PCT. There is no escape from that slightly indirect but nevertheless connected parliamentary accountability for the money that Parliament has voted effectively to any particular body. You cannot sub-contract that out under any circumstances".

Within these policy guidelines, some detailed thought will be required in implementing some of the current major NHS changes which include:-

- Strengthening commissioning and streamlining NHS bodies.
- Reforming Provider functions including the use of the so called private sector and the independence sector.
- Creating robust mechanisms to support the relationship between commissioners and providers.
- Streamlining regulation and line management.

NHS Alliance View

NHS Alliance believes that the use of the private sector – for both commissioning support and service provision - can bring advantages for patients, particularly where existing services are failing or absent and where the private or independent sector is demonstrably in the public interest.

After fifty years of the public management of the NHS we should take care in changing any principles that have served the UK well so far. These have created a strong public service ethos and one of the best Primary Care systems in the world, which is universally envied for its ability to contain costs and provide personal and continuing care with a focus on equity and local communities. We need to build upon this success and ensure that any introduced changes are beneficial through processes of audit before supporting their widespread introduction. There also needs to be a level playing field and the use of the private or independent sector should be subject to the same rigorous levels of transparency, scrutiny and accountability as a public service should be. Services available under the NHS are paid for by everyone and should be held to account for public benefit and not for private gain.

To achieve this, NHS Alliance endorses the following principles, which are in line with current Government policy:-

- Public finance should remain in control of those who are publicly accountable.
- Any outsourced support service should remain accountable to the local PCT Board which, in turn, should remain publicly accountable and appointed by NHS Appointments Commission.
- Any conflict of interest between commissioning support teams and potential providers (not just existing) should be adequately handled – this may require disqualification.
- The terms of individual tenders and subsequent contracts should be open to public scrutiny.
- Selection procedures should be open and include public representation (perhaps via overview and scrutiny committees but certainly with non exec and PEC involvement).
- There should be a clear specification for the services outsourced, their objectives and evaluation criteria.
- Contracts should be not longer than three years and should be subject to annual review with performance data in the public domain.
- If there is to be real plurality then the NHS should provide substantial support to those aspiring to create innovative organisational models including social enterprise bodies. This needs to include a means of securing capital investment at shared risk. Private market in the NHS appears to be accelerating before any effective action in any of these respects.
- Decisions about the treatment of individual patients must remain in the hands of those with public accountability and with demonstrable clinical input.

Future Action

Health care is provided by professionals on the frontline supported by committed colleagues – not organisational models. If we want to get the best from them, staff need to be clear not only about the direction of travel but also the destination. If we leave them to peer through the midst of organisation and reform to see what might – or might not – lie ahead then we are laying the seeds of suspicion, mistrust and disempowerment. If we can be clear about the future vision, then all those working in the NHS can focus better on their prime role of improving health, reducing health inequalities and securing healthcare which meets the needs and wants of individual patients and citizens on a sustainable basis.

NHS Alliance is not asking for a further national plan but for an intermediate national vision. A picture of what Government, policy makers and the Department of Health currently envisage in terms of the relationship between private and public in five years time. This would be helpful to both those current working within the NHS and those who will be in the future. Such clarity is required now to reduce the negative impact of conspiracy theorists and those who have failed to see the need for NHS change.

NHS Alliance believes that change is desirable and inevitable but can only be fully achieved if the vision is shared. That means it needs to be supported by the public and those who care for them.