SHAPING HEALTH SERVICES FOR THE FUTURE

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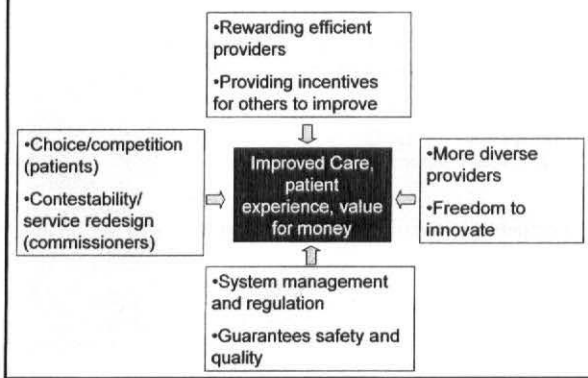
The Provider Landscape

- Context
- Drivers for change
- The DGH - acute hospitals in the future landscape
- No single blueprint for provision
  - PCT provision – range of possibilities
  - Out–of- hospital care and community hospitals
  - New providers – social enterprises
- Mental Health Trusts
- Work in progress at DH

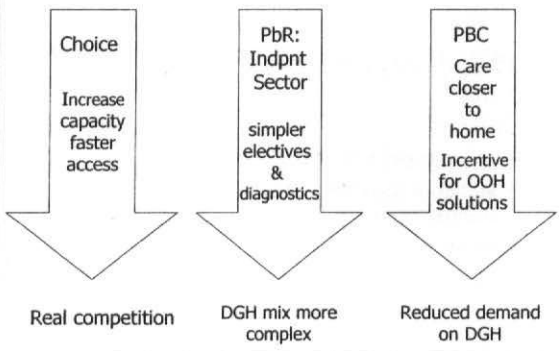
CONTEXT



The DGH Concept

- Conceived in the *Hospital Plan for England (1962)*
- ....a comprehensive range of local services for around 150,000 population
- Since then:
  - Patterns of health & illness changed
  - Advances in healthcare technology
  - Evidence of better outcomes from more specialist centres for some conditions
  - Range of Government policies to improve choice and efficiency

Drivers for Change



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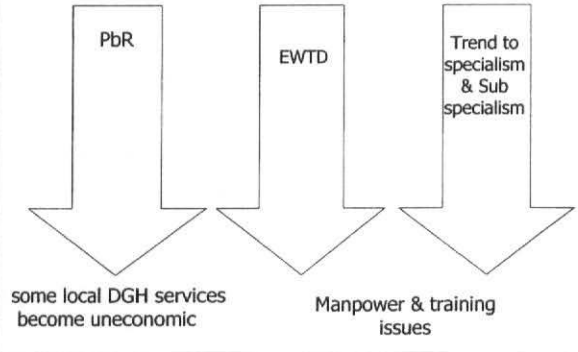

2007-2009

2007/08 Relatively Stable

- Roll over current tariff arrangements & extend to rehab and diagnostics
- 100 FTs established

2008/09 Transformational Year

- Return to historical levels of investment
- Primary care based commissioning in place
- Last big (18 weeks) target achieved
- 170 FTs established

2008/2009 : Real Change

- Real competition
- DGH casemix becoming more complex
- Reduced demand for DGH – out of hospital care
- Under PbR some local services start to become uneconomic
- Manpower / training issues
- Funding reverts to historic trends

Dealing with spare capacity may become a bigger issue than coping with under capacity

Some Possible DGH Responses

- DGHs compete aggressively with each other to increase market share
- Diversify into sub acute and primary care
- Develop services where they have competitive advantage & partnerships with providers of other services

But what about emergency care and care requiring long pathways and multiple providers?

Acute Providers in the Future ?

DGH

ELECTIVE	EMERGENCY	PATHWAYS
Tariff Fully Applied	Tariff improbable	Tariff possible
Competitive	Networked	Partnerships

TERTIARY

Tariff Fully Applied

Competitive
Networked
Partnerships

No single Blueprint for Provision

Acute FTs

Community FTs

Care Trusts

Social enterprises

3rd Sector

Commissioners

Private Companies

Continuing PCT Provision

PBC Providers

PCT provided services

- 152 primary care trusts with provider arms
- Options:
  - independent "third" sector
  - social enterprises – coming into mainstream
  - vertical integration
  - community FTs

Social Enterprise

- 3 main types:
  - Health and/or social care professional(s) form a social enterprise to deliver services eg community health staff
  - Partnerships, statutory services and /or voluntary and community groups and/or the commercial sector
  - Existing social enterprise or third sector organisation looking to expand into health and social care.
- Challenge to bring into main stream
- Strengths and weaknesses acknowledged
- Pathfinder grants

Community Hospitals

- *Our Health Our Care Our Community* sets agenda for developing community hospitals part of the whole system of care
- International comparisons, advances in technology, public preferences all indicate need to develop these facilities
- Public capital, LIFT, or community ventures
- £575 million public capital available over 5 years
- Broad interpretation of the concept "community hospital"

Mental Health

- Among the most innovative – diverse models of care
- Committed to all Mental Health Trusts becoming FTs
- 4 Mental Health FTs now with more in pipeline
- Issues being addressed
  - Configuration – small size viability (seen significant mergers over past 12 months)
  - Governance for Care Trusts and PCT provided services
  - PbR and Tariffs
  - Impact of *Choice* in Mental Health

In Summary

- Significant drivers for change to a mixed economy of provision and out-of-hospital alternatives
- The concept of a DGH will change
- Acute provision will segment eg around planned care, emergency care and pathway care
- Social enterprise organisations will become part of the mainstream as they are in mental health
- Continuing firm commitment to Foundation Trusts including mental health and community FTs

Work currently underway across DH

Strategic Direction	Governance Models	Finance& capital	New ways of delivery	Workforce
Overall policy framework	Social enterprise PBC Community FTs Review of primary care contracting IS procurements	Community Hospitals	Care closer to home Urgent care strategy	Pensions Clinical negligence Workforce Guidance eg "From Hospital to Home"