

NHS Rotherham Clinical Commissioning Governing Body

Operational Executive – Date

Strategic Clinical Executive – Date

GP Members Committee (GPMC) – 25th May 2016

Clinical Commissioning Group Governing Body - 1st June 2016

Audit & Quality Assurance Committee – Date

Outcome of Contract Negotiations 2016/17: The Rotherham NHS Foundation Trust

Lead Executive:	Keely Firth, Chief Finance Officer
Lead Officer:	Rebecca Chadburn, Acting Head of Contracts and Service Improvement
Lead GP:	Dr Phil Birks, SCE Executive Lead

Purpose:

The purpose of this note is to inform Governing Body of the outcome of contract negotiations with The Rotherham Foundation Trust (TRFT) for 2016/17.

Background:

Contract negotiations between Rotherham CCG and The Rotherham NHS Foundation Trust commenced in December 2015 and concluded in April 2016. Both parties agreed a one year contract for 2016/17 and contractual agreements were made on a range of areas including:

- The total final financial envelope for 2016/17;
- The 2016/17 activity levels including efficiency/QIPP targets;
- National and Local Quality Incentive Schemes
- Quality and information reporting requirements
- Service Development and Improvement Plan for the forthcoming year.

Further detail is included in Appendix A.

Financial Implications:

The total final financial envelope for 2016/17 **£164.9m** with **£130m** on the acute contract and **£28.6m** on the community contract (including CQUIN) and other investments of **£6.3m**.

Human Resource Implications:

N/A

Procurement:

N/A.

Recommendations:

- To note to the outcome of contract negotiations with The Rotherham Foundation Trust (TRFT) for 2016/17.

Outcome of Contract Negotiations 2016/17: The Rotherham NHS Foundation Trust

1. 2016/17 Contract for Acute and Community Services

The total final financial envelope for 2016/17 **£164.9m** with **£130m** on the acute contract and **£28.6m** on the community contract (including CQUIN) and other investments of **£6.3m**.

2. QIPP

The 2016/17 efficiency requirements are included in the contracted activity levels. The multi-agency groups tasked with delivering these efficiencies are the System Resilience Group (SRG) and the Clinical Referrals Management Committee (CRMC). The 2016/17 changes in activity against the agreed 2015/16 forecast outturn in key programme areas are:

- a. Non-elective emergency admissions will increase by **0.35%**.
- b. Non-elective assessments (excluding CDU) will increase by **1%**
- c. Outpatient firsts will increase by **1.13%**
- d. Electives and Daycase will increase by **2.83%**
- e. Follow ups will reduce by **11.89%**
- f. Direct Access Pathology will increase by **2.5%**

3. Clinical Thresholds

In 2015/16, RCCG introduced a prior approval mechanism for procedures of limited clinical value. All requests for surgery were considered by the Individual Funding Requests (IFR) Panel prior to approval. Procedures introduced in 2015/16 included:

1. Tonsillectomy
2. Myringotomy/Grommets
3. Varicose veins
4. Hysterectomy for heavy menstrual bleeding

For 2016/17, RCCG and TRFT have agreed to work together as a matter of priority on the introduction of clinical thresholds in order to assist with the significant financial challenges that both organisations face. RCCG has looked at other areas where clinical thresholds have been in place for several years and have also analysed current CCG spend against a list of procedures with the highest spend.

Seven areas have been identified that could be targeted in the first instance, with a collective estimated opportunity of £2.56m. The intention is for this programme of work to move at pace ensuring robust engagement between RCCG GP Executives and TRFT Consultants supported by management colleagues to move this work forward. The aspiration is to have agreed a position on the initial set of clinical thresholds proposed (identified below) by the end of Quarter 1 (end of June).

The areas where Clinical Thresholds will be applied initially are:

- Orthopaedics
- Hip & Knee replacement for Osteoarthritis
- Carpal Tunnel Syndrome
- Excision of Ganglion
- Dupuytren's Disease
- General Surgery
- Cholecystectomy for asymptomatic gall stones
- Asymptomatic inguinal hernia
- Ophthalmology
- Cataract Surgery

RCCG is committed to working with TRFT and the wider GP community to facilitate further discussion regarding the required referral and subsequent approval process, including the use of checklist proformas to ensure that this is appropriate for all parties.

4. Financial Sanctions

TRFT will be granted funding from the general element of the Sustainability and Transformation Fund (STF) during 2016/17 resulting in the operation of some contractual sanctions being suspended for 2016/17 only. The sanctions affected are A&E waits (4 hour wait and 12 hour trolley waits), RTT waits (18 week incomplete pathway, 52 week waits and 6 week diagnostic waits), and cancer 62 day waits following GP referral. All other sanctions will continue to be applied under normal contractual rules by RCCG.

5. National and Local Quality Incentive Schemes

(i) Commissioning for Quality and Innovation (CQUIN Scheme) – Acute and Community Services

The Commissioning for Quality and Innovation (CQUIN Scheme) includes both national and local indicators. In 2015/16, 1% of the financial value associated with the CQUIN Scheme was attributable to nationally mandated indicators, for 2016/17 this has increased to 1.5%.

The total value of the Scheme equates to **£3.6m**. The following have been agreed as areas to be monitored through the CQUIN Scheme for 2016/17:

- NHS Staff Health & Well Being – National Indicator
- Sepsis – National Indicator
- Antimicrobial Resistance and Antimicrobial Stewardship – National Indicator
- Communications and Improving Waiting Times – Local Indicator
- Clinical Leadership to QIPP Programmes – Local Indicator
- SAFER Care Plus – local Indicator

(ii) Acute Transformation including Seven Day Working

For 2016/17, RCCG and RFT will continue to progress acute transformation including seven day working. There is an expectation that tariff will include funding for seven day working in the next four years therefore in the meantime this will be transitional investment.

RCCG will continue to monitor the delivery of the seven day clinical standards through an agreed performance framework which will focus on the four key 7DS standards that are set out in the 2016-17 NHS Standard Contract. The standards are as follows:

- Standard 2: Time to first consultant review
- Standard 5: Diagnostics
- Standard 6: Intervention / key services
- Standard 8: On-going review

(iii) Community Services Performance Framework

For 2016/17, the local incentive scheme for community transformation includes the full set of community services (not just those associated with previous transformation funding) and financial incentives are attached to the achievement of an agreed set of outcome based KPIs. **£1.2m** of the total contract value for community services will only be paid on achievement of the agreed KPIs.

6. Service Development Improvement Plan

In 2016/17 there are areas of improvement that have been nationally mandated for inclusion in the SDIP, these are:

- Implementation of the four key Seven Day Working standards (linked to the local incentive scheme for Acute 7 Day Working)
- Digital Technology
- E-Referral
- Sustainability and Transformation Fund trajectories template

There are also a range of local areas of improvement that have been agreed, some of the key areas are as follows:

- Virtual Clinics
- Community Services Review
- MSK Service Review