

**Musculoskeletal – “Fit for Purpose”
the case for commissioning change**

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Governing Body meeting

4 April 2013

Presenter and title	Alastair Mew, Senior Commissioning Manager On behalf of Dr Ollie Hart, Clinical Lead – MSK
Sponsor	Dr Zak McMurray, Joint Clinical Director
Key messages	
<p>The Governing Body will receive a presentation from Sir Muir Gray, Better Value Health Care, and Andy Smith, COBIC Solutions Ltd, which will present findings from their scoping work undertaken on behalf of Sheffield CCG. The CCG clinical lead is Dr Ollie Hart and the work has been sponsored by the Elective Care Portfolio. This work has involved analysis of information relating to Musculoskeletal (MSK) services in Sheffield, action learning sets with clinicians and meetings/discussions with key stakeholders and CCG managers.</p> <p>The attached paper provides a brief overview of key messages from the CCG Core Team who have been involved. The presentation will provide CCG Governing Body members with:</p> <ol style="list-style-type: none"> 1. An assessment of expenditure and commissioning activities associated with MSK 2. An insight into an alternative approach to commissioning services; Capitation Outcome Based Incentivised Contracts (COBICs). 3. An overview of the potential benefits to Sheffield CCG if this approach is adopted. <p>The presentation will be supported by a full and comprehensive report that will be shared with the Governing Body on finalisation.</p>	
Assurance Framework (AF)	
<p>Risk Reference Number: 1021; 909; 4; 904; 991</p> <p>The approach being considered provides an alternative commissioning approach that contributes to the principal objectives of; to ensure safe and efficient healthcare, commissioning high quality healthcare, Reducing Health Inequalities and improving health and The scale of the transformation required to achieve sustainable health care provision</p> <p>This piece of work contributes to the following existing controls: 1.1 2B, 1.1 2C, 1.4 2A, 2.2 1A, 2.2 2B, 4.1 1A</p>	

Equality/Diversity Impact

Has an equality impact assessment been undertaken? NO

Which of the 9 Protected Characteristics does it have an impact on? None, as this describes an exploratory process at this stage.

Recommendations

The Governing Body is asked to:

- 1) Receive the presentation of key findings from the scoping exercise and seek clarification on its content
- 2) Give due consideration to adopting this paradigm shift in approach to commissioning services and how to proceed with next steps.

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1. Introduction / Background

A scoping piece of work to review alternative approaches to commissioning MSK service, has been undertaken by colleagues from Better Value Healthcare and COBIC Solutions Ltd. A core team from the CCG have been engaged with this work, which has been clinically led by Dr Ollie Hart and supported by the Elective Care portfolio.

The key findings from the scoping exercise and details of the approach will be presented to the Governing Body by Sir Muir Gray, Better Value Healthcare and Andy Smith, Cobic Solutions Ltd. A full report compiling the findings and details of the approach will be produced and shared with the Governing Body.

2. Key Messages from the CCG Core Team

The approach that has been considered uses Capitated Outcome Based Incentivise Contracts (COBICs). Appended to this paper is snapshot of this approach.

Key messages from the core team;

- The methodology presents a paradigm shift in the approach to commissioning services, and presents an opportunity for Sheffield CCG to commissioning services based on specified outcomes for patients at the same time as securing effective use of resources. If the CCG decides to continue to explore this model, this would be a pivotal decision in how we commission services in Sheffield.
- This approach could complement the good work that has taken place, commissioning high quality MSK services in Sheffield and offers an approach to consider future financial plans for this service area. It is set in the context of recent growth in expenditure in MSK services.
- There has been good strong clinical engagement in the learning sets and local discussions, demonstrating a willingness to engage in the cultural and clinical transformation. A wide range of stakeholders have participated.
- The resource implications of adopting this approach need to be considered and how we ensure that the capacity and capability exist within the CCG.
- The core team would be interested in continuing to explore this approach subject to the necessary considerations and support from the Governing Body.

Core Team Membership:

Dr Oliver Hart, GP Clinical Lead

Dr Zak McMurray, Joint Clinical Director and sponsor

Dr Charles Heatley, Elective Care Portfolio clinical lead

Alastair Mew, Senior Commissioning Manager

Rachel Gillott, Head of Service Transformation

Mark Wilkinson, Head of Informatics

In addition to the core team, a wider range of colleagues from across the CCG have been engaged to varying degrees, including Account management, information analysts and senior management from the Executive Team.

3. Next Steps/Considerations

Following consideration of the findings presented to the Governing Body, and the full report, it will be possible to consider how the CCG wish to proceed, the options could include;

Option 1: Commence the programme of work to deliver a COBICs model for MSK in Sheffield, with the first stage being to establish the governance and undertake a report on the draft outcomes and savings that can be expected.

Option 2: Undertake 'deeper-dives' on specific elements identified by SCCG board on the basis of this report and prepare a supplementary report for May CCG board to enable final decision.

Option 3: Do nothing.

4. Recommendations

The Governing Body is asked to:

- Receive the presentation on the findings from the initial scoping exercise and seek clarification on content
- Give due consideration to adopting this paradigm shift in approach to commissioning services and how to proceed with next steps.

Paper prepared by Rachel Gillott, Rachel Gillott, Head of Elective Care Service Transformation

On behalf of Dr Zak McMurray, Joint Clinical Director

25 March 2013

Sheffield MSK Fit for Purpose in a snapshot

Background

- Sheffield faces a deeper challenge than ever before, with costs increasing year on year – but without the improvements in outcomes. This is compounded by possibility of national QIPP “2”
- This means that providers will have to fundamentally transform the way they provide care, including providing more integrated services.
- SCCG have already tried smaller scale changes to do this. As a CCG, now is the time to provide the environment which means that contracts and funding support providers to do the right thing, and more importantly means they have to rise to the challenge of the demand-funding gap.

Scale & scope

- MSK services cost c. £65m in Sheffield each year, which is around 10% of total budget.
- Whilst the scope of the MSK service under specific review for COBIC is to be confirmed, the larger the scope, the greater the saving and the greater the transformational potential.
- For example, every 1% saved would yield annual savings of c. £650k and if the level of savings that has transpired in Valencia was translated to Sheffield, this would bring overall spending down to around £50m year on year.

The role of SCCG

- We need Board commitment and courage to lead change.
- You will need to provide clinical leadership to bring your colleagues with you – building on momentum started already with BVHC
- Our approach will be to use existing meetings, established work streams and fit in with your work pattern
- However, this is not an alternative to clinical commissioning- it is clinical commissioning.

COBIC Concept

- COBIC is a Capitated Outcomes Based Incentivised contract.
- It transfers the risk to a provider, creating the environment to allow them to innovate and profit from success provided they can manage costs and deliver the outcomes you want.
- From our analysis of the MSK service in Sheffield, there are likely to be inefficiencies in the system; in the US where they spend more on healthcare, this is proving to be the case (e.g. Geisinger, KP, Inter Mountain Health, Puget Sound), and Spain where they spend less (Ribero and many others).
- By focusing on outcomes with providers working together, these systems have delivered better outcomes at roughly 75-80% cost.

The COBIC model

- COBIC is an innovative method of commissioning that moves us away from the traditional PbR model of payment on activity towards a reward for delivery of outcomes. Generally this is delivered via a prime contractor, (e.g. accountable lead provider, or integrator).
- This works best where cultural change is implemented, which is the work of BVHC, who help to change the culture of the system, so clinicians, commissioners and providers work together to things differently
- This is new in the UK; other sites are more advanced (Oxford, Newcastle, Solihull, South Warwickshire). Sheffield should take comfort from the fact that this new approach has and is building an evidence base. It is entirely consistent with what is happening in other countries, notably Spain and the US. It has the full backing and support of NHSCB (John Bewick, Andrew Kenworthy, Bob Ricketts), DH (Norman Lamb) and No 10.
- If you do this you will be supporting two innovations- a new way of working with your providers and a radical new contract.
- This will be achieved as well as meeting the cost reductions needed to provide a sustainable CCG.

Approach

- The COBIC model will be designed around the current situation in Sheffield, utilising the momentum built with clinicians, designing a governance process that fits in and aligns with existing reference groups/boards/meetings and engages patients and providers at the appropriate time.
- BVHC will engage at particular points in the process to ensure the cultural change is brought in as well as the process change. For lasting benefits to work, this process / culture partnership needs to work closely together.
- Stop/Go decisions are built into the plan to ensure the board has oversight and control. There are 7 process stages with clear roles and accountabilities.

Next steps

- Once SCCG Governing Body approve the programme, the next steps are to develop the governance structure and undertake deeper analysis and refine the programme plan
- The programme can normally be delivered within 12 months of a “go” decision