NHS City and Hackney CCG
What is commissioning?

Training session for Patient and Public Involvement Representatives
Training for Patient and Public Involvement Representatives

This session is part of on-going training to support CCG’s patient and public involvement representatives in their roles.

- Training sessions can be opened up to our partners and stakeholders in the community and voluntary sector where there are free places left.
- Six training sessions will take place during March, April and May 2015 (see hand-out) on:
  - Public Health in City and Hackney
  - Programme Boards Part 1
  - Programme Boards Part 2
  - Commissioning Cycle: Commissioning, Procurement, Contracting, Evaluation and Quality
  - Patients in Control: Shared Decision Making, Co-design & different ways to be involved
  - Patient Leaders: Representing your community

- The aim of today’s session is for attendees to gain an understanding of what commissioning is and the different stages of the commissioning cycle.
Today’s session

- 1.30pm Welcome and Introductions
- 1.45pm What is Commissioning?
- 2.30pm Procurement and contracting
- 3.15pm Coffee & Tea break
- 3.30pm Measuring outcomes
- 4.15pm Evaluation
- 4.30pm Close
What is commissioning?

Siobhan Harper
Programme Board Director
Planned Care and Patient and Public Involvement
Definitions

Commissioning is a broad concept and there are many definitions.

order or authorize the production of (something).
"the portrait was commissioned by his widow in 1792"

order or authorize (a person or organization) to do or produce something.
"they commissioned an architect to manage the building project"

bring (something newly produced) into working condition.
"we had a few hiccups getting the heating equipment commissioned"
Definition for health and social care

- The Department of Health describes commissioning as the means to secure the best value for local citizens and taxpayers.
- It is the process of translating aspirations and need, by specifying and procuring services for the local population.
- The role of commissioning is to ensure accountability in the system. Services need to deliver the **best possible health and wellbeing outcomes** and provide the **best possible health and social care provision** within the **best use of available resources**.
The idea of commissioning as a discrete function within the NHS dates from 1991. Before this, local health authorities organised both the planning and the delivery of services for their patients. The Conservative government split this function by creating 'purchasers' and 'providers' in the local health system through the introduction of the NHS and Community Care Act 1990.

The National Health Service and Community Care Act 1990 introduced the internal market into the supply of healthcare, making the state an 'enabler' rather than a supplier of health and social care provision.
A short history - 2

- It created two models of commissioning – one based on health authorities, and the other based on general practice (GP fundholding).
- The Labour government abolished GP fundholding in 1997 but retained the purchaser/provider split.
- Health authorities were replaced by primary care groups and then by PCTs.
- In 2004 the government announced a new form of GP commissioning – practice-based commissioning (PBC).
- The Health and Social Care Act 2012 brings us up to date with the most recent change to commissioning infrastructure.
A short history - 3

- The 1990 Act also gave a duty to local authorities to assess people for social care and support to ensure that people who need community care services or other types of support get the services they are entitled to. Patients have their needs and circumstances assessed and the results determine whether or not care or social services will be provided.

- Local authority resources can be taken into account during the assessment process, but if it is deemed that services are required, those services must be provided by law: services cannot be withdrawn at a later date if resources become limited.
The act also split the role of health authorities and local authorities by changing their internal structure, so that local authority departments assess the needs of the local population and then purchase the necessary services from 'providers'.

To become 'providers' in the internal market, health organisations became NHS trusts, competing with each other.

Community care ensured that people in need of long-term care are now able to live either in their own home, with adequate support, or in a residential home setting.

This model has been modernised further by the introduction of personal budgets for both health and social care provision at the individual level.
What is commissioning?

- Commissioning covers a wider range of activities other than the procurement of services. Experience gained from procurement activities can be applied to strategic commissioning but commissioning is different.
- Commissioning can happen at many levels, including the strategic level, the locality level and the individual level.
- Most definitions of commissioning paint a picture of a cycle of activities at a strategic level - concerned with whole groups of people.
Strategic level
The individual level (personal budgets)

1. Working out the amount of money available
2. Understanding the person’s health and wellbeing needs
3. Making contact and getting clear information
4. Making a care plan
5. Organising care and support
6. Monitoring and review

City and Hackney Clinical Commissioning Group
### Who are current Commissioners?

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<tr>
<th>CCG</th>
<th>NHS England</th>
<th>Public Health</th>
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| • Acute care (e.g. hospital admissions);  
• Mental Health;  
• Community Health Services. | • Primary Care (e.g. GPs);  
• Specialist Care (e.g. cancer, kidney dialysis);  
• Other (e.g. Health visitors, Immunisation and Screening). | • Sexual health;  
• Health checks;  
• Smoking cessation;  
• Substance and alcohol misuse;  
• Health promotion;  
• Ill-health prevention;  
• Obesity |
Key issues to remember

• It's very rare to start with a blank sheet when you are commissioning at the strategic level.
• Factors you can use to make a change are quality, performance, patient feedback.
• Use the specialists – clinicians, public health, performance, outcomes, quality leads.
• Relationships are vital.
• Don’t be afraid to take your time to think things through – confident commissioning comes with experience.
• Our role is about accountability in the system for patients and the public.
Discussion and questions

Thanks for listening
Any Questions?
What is Procurement?

• A fair and transparent process to engage with potential providers of services
• Encourages competition and innovation amongst providers to deliver value for money services
• There are four main routes for securing services:
  • By varying existing contracts during their term – subject to option to extend and the CCGs SFIs.
  • Through enabling patients to choose from Any Qualified Providers (AQPs)
  • Mini-competitions within existing National /Local Framework Agreements
  • Competitive Tender Exercises (depending on contract values)

Overarching Principles of Procurement
• Transparency
• Proportionality
• Non-discrimination
• Equal Treatment
• Managing Conflict of Interests
Why we need to comply

It is a matter of law that the Public Sector Organisations (NHS) need to abide by the legislations that governs the award of contracts that are paid from the public purse. We must:

• publicly advertise our commissioning strategies and intentions;

• publicly state the outcome of service reviews and how services will be procured (e.g. competitive tendering, AQP, or single tender action);

• advertise contract opportunities on Contract Finder(where over £100,000) and OJEU, where appropriate (i.e. where high value and/or cross-border interest);

• publish evaluation and scoring criteria in your tender documents;

• publish details of contract awards on Contract Finder and in OJEU (where over €200,000 in value);

• maintain an auditable documentation trail of key decisions;
Relevant Legislations/Rules

EU Procurement Regulations

Public Contracts Regulations 2006 and its amendments (2011)

NHS (Procurement, Patient Choice and Competition) Regulations 2013

Procurement Policy Notes (PPNs) issued by the Cabinet Office
When do you need to procure?

When an existing contract is expiring and all options to extend have been exhausted

Requirement for a new service

Re-modelling existing services

Significant changes in an existing contract

Test market for innovation
Financial Thresholds

Current EU Thresholds 2014
(OJEU Tender)

*Revised every 2 years

- Works: £4,332,012
- Part A Services/Supplies: £111,676
- Part B Services: £172,514 – Contract Award Notice in OJEU

City & Hackney SFIs Thresholds

- £50,000+: Competitive Tenders
- £20,000 - £50,000: 3 written quotations
- £5,000 - £20,000: 2 written quotations
- >£5,000: 1 written quotation
Types of Procurement

Open
- All candidates may submit an offer. All offers must be considered
- Combined PQQ and ITT procedure (Warfarin Service)

Restricted – Most Common
- 2 Stage process:
  - Pre Qualification (to shortlist tenderers)
  - Invitation to Tender

Competitive Dialogue
- For complex contracts, pre qualification is used to select those best able to help finalise technical and contractual requirements.
- Only participants remaining in the dialogue are then invited to bid

Negotiated
- Can only be used in limited circumstances
Open Process  Combined PQQ/ITT

Business case/authorisation to proceed
Issue Advert/MOI/Specification (minimum 2 weeks)
Stage 1 - Pass/Fail evaluation – Financial standing, Insurance, Technical capacity/experience (2/3 weeks)
Stage 2 - Evaluation of Proposal - Service Delivery & Price (2/3 weeks)
Presentations/Interviews
Contract award process – Board sign-off
Standstill period (10 days)
TUPE (if applicable: up to 2/3 months)
Contract signing/mobilisation
Restricted Procedure 2 Stage Process

Business case/authorisation to proceed
Advert for Expressions of Interest (minimum of 10 working days)
PQQ (4 week turnaround)
Evaluation of PQQs (2/3 weeks)
ITT (4 week turnaround)
Evaluation of Tenders (2/3 weeks)
Presentations/Interviews
Contract award process
Standstill/alcatel period (10 days)
TUPE (if applicable: up to 2/3 months)
Contract signing/mobilisation
Key Features of Procurement Process

The Procurement Process/Stages

- **Advert and EOI**
  - The contract opportunity is advertised and upon review of the information, the Bidder choses whether or not to participate in this tender. There is no commitment by the Contracting Authority (NHSE) or you.

- **PQQ**
  - This is a *shortlisting stage* designed to review you as an organisation. Your Experience (of delivering this type, or similar services), Capacity and Capability
  - If bidding as a Consortium, the Lead Provider must submit a PQQ on behalf of all parties.
  - Bidders that pass this stage will be invited to tender (ITT)

- **ITT**
  - This is your proposed solution on how you will deliver the service as described in the specification (Quality response)
  - Price proposed.

- **Bidder Interviews**
  - The highest ranked Bidders following evaluation at ITT stage will be invited to Presentation/Interview stage. These are designed to give us clarity to you overall bid/proposal.

- **Award /Selection**
  - Governance approval of a fair and open process and the effectiveness of a decision in selecting a Preferred Bidder(s).

- **Standstill Process**
  - Although Health and Social Care Services do not follow the full OJEU process, the 10-Day Standstill period is followed as best practice.

- **Mobilisation**
Conflict of Interest

NHS (Procurement, Patient Choice and Competition) (no2) Regs 2013 (Reg 6) states:

Must not award a contract for services where conflicts or potential conflicts between the interests of the commissioner and the interests of the provider affect or appear to affect the contract award.

Definition of a conflict.

A conflict of interest is a set of (or perceived set of) circumstances that creates a risk that professional judgement or actions regarding a primary interest will be unduly influenced by a secondary interest.
E- Tendering Portal

- **Our system**
  - E-tendering Portal
  - [www.supplying2nhs.com](http://www.supplying2nhs.com)

- **Support**
  - User Guides

- **Registration**
  - Potential Bidders should register at earliest opportunity.
  - Other contract opportunities advertised on portal
Any Questions?
Outcomes in Commissioning

Anna Garner
Head of Outcomes and Evaluation
Outcomes Frameworks

NHS, Adult Social Care and Public Health

The NHS Outcomes Framework: set of national goals for measuring the overall performance of the NHS

CCG Outcomes Indicator Set: NHSE to hold CCGs to account
National directives for CCGs

Quality Premium
- Financial incentives
  - Nationally set outcomes (change each year) with CCG set improvement levels (patient experience, years of life lost, emergency admissions, IAPT, medication safety incidents, antibiotic prescribing, mental health patients accessing A&E)
  - CCG choice for one/two local measures – locally relevant

Operating plan
- Ambitions for overarching outcomes – 5 year trajectories
  - PYLL, QoL, emergency admissions, patient experience of primary and secondary care, IAPT access and waiting times, dementia diagnosis
CCG roles and responsibilities
“Outcomes remain the ultimate validators of the effectiveness and quality of medical care but they must be used with discrimination”


Donabedian model: three dimensions of healthcare quality – structure, process and outcome

Achievement of outcomes dependent on:
- environment in which care occurs (measures of structure)
- whether ‘medicine is properly practised’ (measures of process)
How do we define health outcomes?

Results of healthcare in terms of patient health over time.

NEJM, 2013

Outcomes are the results people care about most when seeking treatment, including functional improvement and the ability to live normal, productive lives.

ICHOM, 2013

All the effects of healthcare on patients or populations.

Donebedian, 1966
How do we define value in healthcare?

Efficiency = outputs/inputs

Value in healthcare:
- user defined
- measured by outcomes not outputs/process

Value = outcomes/cost
Using outcomes as measures

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<thead>
<tr>
<th>Limitations</th>
<th>Benefits</th>
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<tbody>
<tr>
<td>Difficult to measure</td>
<td>Represent what is important to patients</td>
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<tr>
<td>Long term</td>
<td>Validity</td>
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<tr>
<td>Longer to see results/show effectiveness or improvement – time lag</td>
<td>Reflect all care processes</td>
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<tr>
<td>Patients lost to follow up</td>
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<tr>
<td>Outcomes dependent on a variety of factors – not all healthcare</td>
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<tr>
<td>➢ Outcome may not depend on quality of care</td>
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<tr>
<td>➢ Hard to attribute</td>
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<tr>
<td>➢ Providers/organisations/institutions tend to measure only what they can directly control</td>
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<td>Larger sample populations needed – are outcomes more valid nationally than locally?</td>
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Choosing outcomes

What health circumstances/outcomes are most important to the patient (/carer/family)?

What population/group/cohort?

Whole patient focus or just one condition?

Measures across whole care package?

Frequency (is it variable in the population and is it important to a lot of patients)?

Can outcome be accurately/reliably measured?

Time frame? When measuring (any follow up needed)?
Choosing outcomes – which metrics?

- What measurement tools/options:
  
- Is it comparable?
- Will there be any unintended consequences of monitoring? Could it cause change of practice? e.g. IVF and live births
- Is it adjusted for different populations/services provided?

- Balance/tradeoffs between:

  - Short term – safety, immediate outcome
  - Long term – long enough to see impact of care, recovery, functionality, sustainability

  - Just encompassing care package. Attributable. Adjusted?
  - Encompassing all factors influencing outcome

  - Whole population
  - Provider specific
  - Patient groups e.g. with specific condition
Measuring outcomes

- Driving improvement
- How/when to measure?
- Who collecting?
- Examine variation
- How to know what is good?
- Where published?
- Who examining?
Whole pathway example – diabetes

3.2 million people have a diagnosis of diabetes
Linked to genetics, ethnicity, obesity, lifestyle
Diabetes as a LTC is a priority in the NHS and Public Health Outcomes Frameworks
CCGs as commissioners and GPs as providers have a key role in improving diabetes outcomes
Whole pathway example – diabetes

Overall outcome? Relate to patient health status, recovery and sustainability of recovery

What important to patients?

Along whole care pathway – what measuring?

Limitations?

Structure/process measures?

What already available/collected/reported?
CCG roles and responsibilities

[Diagram showing the roles and responsibilities of a CCG, with key areas such as commissioning, procurement, analysis, planning, and review.]
Any Questions?