

GP Commissioning – A Healthcare Provider Perspective



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AGENDA

- The healthcare challenge – White Paper
- The benefits of GP Commissioning
- The BMA's perspective
- The healthcare system – constraints
- Practical challenges for GP Commissioning
- Provider Sustainability Assessment Framework
- How we are addressing the challenge locally



The Healthcare Challenge

White Paper/NHS Futures Forum

- “No decision about me without me”
- Choice and competition – managed process
 - Monitor (regulator) – to support choice, collaboration and integration
 - Avoid cherry-picking by private providers
- Better integration across health and social care
- Improving outcomes
- NHS efficiency target £20bn over 4 years

The benefits of GP Commissioning

- Clinically – led model of commissioning (revised to include nurses, AHPs and consultants)
- Aligns clinical and financial responsibilities – the gatekeepers
- Empowers GPs/clinicians to innovate



The BMA's Perspective

- Fundamental problem with the system – two opposing forces:
 - Cost containment (Commissioners)
 - Income generation (Providers)
- Evidence shows that competition and market incentives do not lead to better or more positive outcomes in health
- Commissioning should enable cross-sector collaboration and co-operation
- Our goals should be:
 - Cost effectiveness
 - Quality
 - Long-term sustainability of the health economy

The Healthcare System - constraints

- Whole system healthcare is linked together via pathways of care/not easy to split up
- Poor performance in one part of the system affects other providers further down the chain – delayed transfers of care
- Penalties targeted at hospital providers – often no ability to resolve as outwith their control e.g. readmissions
- Competition – focused on less complex care (often profitable element)

The Healthcare System – constraints - /Contd

- Tariff (price) under Payment by Results not linked to cost structure e.g. maternity
- Infrastructure – difficult to reduce footprints
- Maintaining emergency provision
- Public perception of what is healthcare – beds
- Maintaining doctor training capacity



Practical challenges for GP Commissioning

- Commissioning not Purchasing
- Focus on whole health spend not just acute hospital services
- Avoid conflicts of interest – building empires
- Understanding provider – side economics – linkages and cross – subsidies
- Working in partnership to avoid potential unintended consequences

Provider Sustainability Assessment Framework

A. Understanding change

Has a sound rationale for the proposed change been established?
Have all affected parties been consulted for their views and evidence for change?
Have both the short term and medium term effects been considered?
Has a risk assessment been undertaken and key risks identified?

B. Quality of provision

Have the direct and indirect effect of the reorganisation on the quality of the particular service provided been considered?

C. Finances of providers

Has the impact of change on affected providers in terms of the difference between unit costs and tariff of the relevant services (i.e provider's finances) been considered?
Has a benchmarking exercise taken place between affected providers and other providers?
Has the impact on long term provider sustainability been explored?

D. Cost structures

Have fixed costs been considered?
Have semi-fixed costs been considered?
Have stranded assets been considered?

Provider Sustainability Assessment Framework - /Contd

E. Scale effects

Has assurance been given that the new service volumes will be sufficient to ensure clinical and operational quality standards at both service line and intervention level?
Has assurance been given that the new service volumes are sufficient to provide a cost effective service?

F. Costs of change

Have the staff costs of the change been considered?
Have the non-staff costs of the change been change considered?
Have transition costs been considered?

G. Broader impacts of change

Have clinical and cost linkages to other services/areas been considered?
Has the indirect effect of the change on other providers been considered?
Has the impact of the change on choice, access, innovation and future competition been considered?

How we are addressing the challenge

- Trust and 3 Practice Based Commissioning Groups – working together
- Identifying areas for improvement (benchmarking)
- Clinically – led process (primary and secondary care)
- Looking innovatively – NHS does not have all the answers
- Develop principles for redesign/models
- Build an overall vision – then the detail
- Model and cost the options
- Listen to the patients – they are the most important