

BOARD PAPER – NHS ENGLAND

<p>Title:</p> <p>Strategic Framework for Specialised Services</p>
<p>Lead Director:</p> <p>Dr Jonathan Fielden, Director of Specialised Commissioning</p>
<p>Purpose of Paper:</p> <ul style="list-style-type: none">• The paper and attached slides outline a strategic framework for specialised services, intended to provide clearer direction for specialised services as a core part of the Five Year Forward View.• Our proposal is to develop this framework over the next three months, working closely with local commissioners and providers through the sustainability and transformation plans, but also nationally with our partner arms-length bodies, industry, clinicians, patients and the public.
<p>The Board is invited to:</p> <ul style="list-style-type: none">• Comment on the proposed vision and the priorities in strategic framework• Agree the next steps, including the expectations for local plans and the national level changes

STRATEGIC FRAMEWORK FOR SPECIALISED SERVICES

SUMMARY

1. The attached slides outline a strategic framework for specialised services, intended to provide clearer direction for specialised services in line with Five Year Forward View. They set out:
 - A vision and key elements of a new strategic framework for specialised services in 2020
 - The next steps in achieving our ambitions for specialised services, including both local collaboration and national level support.
2. Our intention is to develop this framework over the next three months, working closely with local commissioners and providers through the sustainability and transformation plans (STPs), but also directly with our partner arms-length bodies, industry, clinicians, patients and the public. We will then set out more detail on implementation alongside our commissioning intentions to be published in the autumn.

CONTEXT

3. Specialised services support people with complex and rare conditions, often at times when they are in greatest need. Specialised services are a catalyst for innovation, supporting pioneering clinical practice in the NHS.
4. The 2012 Health and Care Act represented a significant change in the way that specialised services were commissioned. For the first time, we had one national commissioner, able to set standards across the country – currently for 146 services.
5. Over the past two years, we have put in place new national standards and service specifications for specialised services, supported by a national clinical architecture and a more consistent approach to prioritisation. We have also made significant progress in improving our contract management with providers and getting control of the specialised commissioning budget.
6. However, we recognise the need to go further – in reducing unwarranted variation, tackling fragmentation of patient pathways and addressing future financial pressures. To meet these challenges, we need to provide greater clarity on future direction, to accelerate service transformation. Doing so is consistent with the recent recommendations of the National Audit Office.
7. There are continuing financial pressures on specialised services. For 2016/17, the specialised commissioning allocation (including £340m for the Cancer Drugs Fund) is £15.66bn i.e. a cash increase of 7.0%. To live within this envelope we will need to ensure careful management of the financial pressures, particularly from new drugs and new treatments, e.g. through the new Cancer Drugs Fund. We will also need to ensure we decommission treatments, drugs or practices that are no longer supported by the evidence. Future year-on-year increases in the specialised allocation are currently forecast to be 2017/18: +4.8%, 2018/19: +4.5%, 2019/20: +4.5% and 2020/21: +5.0%.

STRATEGIC FRAMEWORK

8. The Five Year Forward View set out ambitions for the NHS of a more engaged relationship with patients, carers and citizens to promote wellbeing and prevent ill-health. Our ambitions for specialised services are no different – specialised services will be key to delivering NHS England’s objectives and the triple aims for health.
9. Achieving this vision will mean changes in how services are commissioned and provided. To support this change, we have developed a strategic framework, which sets out eight priorities aimed at supporting place-based care, while maintaining national standards and financial sustainability. The priorities cover three issues:
 - **Delivering place- and population-based care:** Local level collaboration to agree patient and service priorities, identify sustainable provider configuration and develop options for commissioning.
 - **Providing national level support:** National support to enable local flexibility, including reform of clinical advice, improving data and information, support for innovation, and improving the prioritisation of new drugs and treatments.
 - **Ensuring financial sustainability and value for money:** Putting in place financial controls in ways that provide clear incentives to transform provision and integrate specialised elements with the whole care pathway.

IMPLICATIONS

10. The Board should be clear that the vision and approach set out in the attached slides signal on a number of elements a fundamentally new direction for specialised services over the next five years. Of particular note are:
 - **Recognition that different service models will be required to meet national standards:** Population needs vary across England, and to ensure local leaders have the flexibility to tailor services to local needs we will enable more place-based approaches. For example some areas may benefit from taking on greater devolved commissioning responsibility for some specialised services, while other localities may not have the capacity, capability or desire to take on those full responsibilities from NHS England but would still like a say in planning services
 - **Moving away from a ‘binary choice’ of national or local commissioning:** Regardless of the form a place-based approach takes, their function will be to integrate whole care pathways, which requires collaboration. Specifically we are asking local leaders within and across STP footprints to think about the ‘collective NHS£’ – joining up spending on specialised services with core services across whole care pathways.

- **Moving towards a plurality of provider models:** Previously NHS England has called for consolidation of providers into ‘15-30 centres of excellence’ (*Everyone Counts*, Dec 2013). The new approach recognises that local, regional and national collaboration is required to establish the appropriate provider landscape to meet different population needs. This could still be consolidation of providers into single centres of excellence, but equally a new franchise, chain or network model, being pioneered by vanguard areas, may be better suited to the local circumstances of patients and clinicians and enhancing public value.
- **Using the leadership and expertise of clinical reference groups to transform future patient outcomes:** While we want to maintain the benefits of national standards and consistency across specialised services, we want to ensure clinical expertise is focused on transforming and improving patient outcomes, rather than contractual specifications. It will mean a new role and focus for clinical reference groups enabling clinical leaders and patients’ representatives to spotlight best practice in different places and driving continuous improvement for patients across the country. They will also need to indicate where outdated and poor value treatments, drugs and devices should no longer be supported to create space and finance for the new.
- **Moving from ‘transactional’ use of information to rewarding high quality care:** Our current model of commissioning defaults to contracting for service activity, and we focus on activity and volumes. However what matters to the patient is quality – clinically effectiveness, safety and the best experience possible. The use of more effective population-based information and smarter outcome performance measures (e.g. across whole care pathway) can enhance new services by better measuring and financially rewarding outcomes.
- **Step change in the adoption of new treatments:** New devices, new drugs and service innovation will be key to improvement across specialised services, particularly the growth of personalised medicine. Improving adoption will mean revisiting NICE/NHS England relationship, more rapid decisions on commissioning and decommissioning, and alternative reimbursement models.

NEXT STEPS

11. The vision and strategic framework are intended as the starting point. Over the next three months, we are proposing to work closely with national and local partners to develop and test the strategic framework. In terms of next steps, our intentions are:
 - To work with local areas, including commissioners, providers, patients and the public, setting our expectations for the sustainability and transformation plans but also to test the vision and strategic framework
 - Work at a national level with our partners in arms-length bodies, patient groups, clinicians and industry, to develop a programme of local collaboration, while maintain clear and effective national standards

12. Our ambition is to set out more detail on the framework later this year to inform our commissioning intentions for 2017/18 and to set the direction for future planning.

RECOMMENDATION

13. **The Board is invited to:**

- Comment on the proposed vision and the priorities in strategic framework.
- Agree the next steps, including the expectations for local plans and the national level changes

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Date: May 2016

Forward View for Specialised Services: Strategic Framework

May 2016

Director of Specialised Commissioning



Introduction: Specialised services are central to patient care in the NHS

- Specialised services are central to the NHS, supporting people with rare and complex conditions, often at times when they are in greatest need. Specialised services are also a catalyst for innovation, supporting pioneering clinical practice and research in the NHS.
- The 2012 health and care reforms represented a significant change in the way that specialised services were commissioned. For the first time, we had one national commissioner, able to set standards for access and quality across the country. Specialised services now make up ~£15bn a year of spending across 146 different services
- The change was not easy, but much has been achieved over the last three years. We have established national standards and service specifications, supported by a national clinical architecture, strong patient involvement and a more consistent approach to prioritisation. We have also put in place national contracts with better information and stronger financial control.
- Despite progress, we need to go further. Unwarranted variation in patient outcomes and access to services persists. The split in commissioning responsibility between NHS England and Clinical Commissioning Groups can mean fragmentation in the pathway and misalignment of incentives with underinvestment in prevention. At the same time, there are continuing financial pressures from demographic change, from new drugs and technologies.
- To meet these challenges and in line with the ambitions of the Five Year Forward View, we need to see a transformation in the way specialised services are commissioned and provided. High quality specialised care needs to be embedded in the patient pathway, with more personalisation and a stronger emphasis on prevention, whilst ensuring best value for the public.

Vision: Future specialised services embedded in the delivery of the Five Year Forward View

- The Five Year Forward View set out ambitions for the NHS of a more engaged relationship with patients, carers and citizens to promote wellbeing and prevent ill-health. Our ambitions for specialised services are no different, and fully integrated with the triple aims:



Improving population health

To ensure specialised services are continuously improving health for all relevant populations, by focusing on the outcomes that matter most to patients, ensuring a stronger focus on prevention and connecting the commissioning of specialised services more strongly to prevention and personalised medicine.



High quality care system

To integrate specialised services within the pathway, by unlocking new models of provision and enabling more flexibility in how different models can be adapted to local needs, while at the same time addressing unwarranted variation between areas and meeting national outcomes standards.



Maximising Value

To maintain financial sustainability, by in the immediate term maintaining a tight grip on the national spend and maintaining the focus on efficiency programmes, but also by accelerating and supporting transformation to new models of commissioning and provision that can deliver better outcomes for less including stopping treatments and processes no longer of value. Each clinician and patient needs to understand the need to drive value: ensuring we enhance and maintain outcomes and experience whilst mindful of the cost.

Strategic Framework: Place-based care, enabled by national level support and strong financial control

- Achieving the ambitions for specialised services will require collaboration at a local level to agree priorities and deliver service change, but will also need national level support and financial control that enables change. The strategic framework sets out eight priorities as a focus for testing and engagement over the next 3-6 months.

Delivering place & population based care

1. Person focus: specialised services better connected to total place-based spend and integrated pathways for patients

2. Provider configuration: national, regional and local provider landscape design to meet local population needs

3. Collaborative commissioning: more joined up commissioning across pathways focused on value. Using new and different commissioning/contracting models meeting the needs of the local population; bringing providers and commissioners together in joint endeavour

Providing national level support

4. National clinical leadership: supporting place and population based systems of care to deliver good outcomes, value and realistic ambition for the future

5. Better information: on patient outcomes, cost/value and quality enabling and informing change

6. Mainstreaming treatments: increasing innovation and take up through more systemic use of research and development

7. Proactive management of pipeline for innovation: for new drugs and technologies, whilst stopping those of limited value

Ensuring financial sustainability and value for money

8. Maintaining financial control: to enable trade-offs locally and nationally, through driving technical efficiency, transformational change and controlling new pressures.

Strategic Framework: Locally-agreed clinical and service priorities

1

Person focused

- 44 Sustainability and Transformation Planning (STP) footprints with 10 Collaborative Commissioning Hubs to identify service priorities and the appropriate level of planning
- Use person-based resource allocations to plan collective NHS spending i.e. how to pool core CCG spending and specialised funding
- Ensure strong patient and clinician voice in proposed changes

2

Provider configuration

- NHS England and STP footprints to collaborate on future provider landscape to deliver service priorities within collective NHS spending for pathways
- Support for and testing of greater plurality in provision of specialised services, based on local and regional priorities
- Learning from 'vanguard areas' - some areas choose to adopt franchise, network or chain models of provision, while others may plan consolidation into single centres

3

Commissioning reform

- Change in relationship between NHS commissioners and provider – with joint responsibility and new contracting models e.g. lead provider for whole pathway including specialised element, multi-year contracts
- New payment models to be considered e.g. link money to improvements in the outcomes of whole or targeted populations
- A range of options for commissioning responsibility available i.e. influencing, partnering, delegating and devolving

Strategic Framework: Ensuring national support supports local delivery

4

Clinical expertise

- 6 National Programme of Care Boards and 42 Clinical Reference Groups to focus on improving outcomes
- New focus to establish outcome measures that are viable within resource envelopes, supported by existing and improved outcome dashboards and data
- Begin with cancer and mental health services, linked to national programmes plus local priorities

5

Better information

- Systemic approach on data collection to enable tracking of population outcomes, and greater transparency on the value of services
- New programme to develop high quality business intelligence functions, enabling future contract and payment models to be linked to quantifiable changes in population outcomes

6

Mainstreaming

- Research and development to focus more on rapidly evolving existing specialised drugs or devices into affordable mainstream routine treatments
- Greater demands on the registries we directly fund to release and make better use of data they collect
- Enhance links to research to better enable future improvements in care and delivery

7

Innovation pipeline

- Explore with NICE and Department of Health how to support innovation and improved value
- Trialling 'alternative reimbursement models' for drugs and devices that better share risk between providers and/or industry

Strategic Framework: Financial control signals clear direction for implementing service transformation

8

New treatments

- Clearer process for prioritisation of new treatments that enables greater 'flow' of treatments through specialised pipeline and opportunities for new treatments delivering value for money
- Application of 'managed access' principles, for example, as adopted by the new CDF, to other programmes to ensure investment is available for trialling new treatments

Control of 2016/17 spending

- Ensuring 2016/7 specialised spend does not exceed £15.66bn through managing new treatments and contract round negotiations
- Tight contracting management between NHS England commissioners and providers – holding providers to agreements on agreed activity and spend

2017/18 contracting round

- Efficiency saving for specialised services i.e. living within the reduced uplift
- New commissioning, contracting and payment model options for specialised portfolio
- National outcome standards enabling rapid transition to new locally designed sustainable models

Next Steps: Inviting local STP footprints to collaborate with NHS England on Specialised planning

- NHS England regional and area teams will be working with and across STP footprints to support their June submissions, setting out clear expectations for five year specialised service planning. NHS England will support work to identify which services are most appropriately planned at a national, regional and sub-regional level.
- As part of our 'Commissioning Intentions' publication at the end of September we intend to set out the collective approach and 'spectrum' of models that STP partners and NHS England will be using over the next five years to move to place and population based commissioning and provision.

Expectations for STP submissions on Specialised Service planning

- **Agree service priorities** – priorities for local populations over the next five years agreed between NHS England and STP footprints
- **Level of planning** – appropriate level of planning identified for services, including implications for other STPs where services cover a larger population footprint
- **Provider configuration** – set out provider model and configuration required to deliver shared STP and NHS England priorities sustainably
- **New contracting models or payment models** – identify potential commissioning arrangements that STP partners may want to develop and deploy locally
- **Governance model** – agree future arrangements for enhancing collaboration and potentially pooling budgets, including extent of proposed delegation and devolution

Next Steps: Local collaboration supported by a programme of national support

	Q1 16/17	Q2 16/17	Q3 16/17	Q4 16/17
Local Collaboration	<ul style="list-style-type: none"> STP footprints and NHS England identify priorities for service change, and design stress-test provider configurations 	<ul style="list-style-type: none"> STP and hub plans signed off, inclusive of proposed provider configurations and new contracting models 	<ul style="list-style-type: none"> Commissioning intentions sets out new spectrum of provider, contracting and payment models identified through STP 	<ul style="list-style-type: none"> Specialised element of STPs and national footprints executed through next contracting round
National Support	<ul style="list-style-type: none"> Refresh Clinical Reference Groups, including roles and responsibilities <ul style="list-style-type: none"> Collaborative Commissioning programme to develop legal and governance framework, and options for pooling budgets <ul style="list-style-type: none"> Scoping programme to improve data and outcome information, to support locally-based commissioning and provide benchmarking information Options for stream-lining pathway for new treatments, including building on Cancer Drugs Fund and accelerated access review 			
Financial Sustainability	<ul style="list-style-type: none"> Building business intelligence systems to support place-based care, including financial reporting at CCG level for specialised services <ul style="list-style-type: none"> Commissioning intentions sets out expectations on efficiencies and commissioning options 			
Key events	<ul style="list-style-type: none"> Jun 16: STP plans submitted 	<ul style="list-style-type: none"> Jul 16: STP plans signed off 	<ul style="list-style-type: none"> Oct 16: Commissioning intentions 	<ul style="list-style-type: none"> Nov/Dec 16: NHS planning guidance