



**PET-CT Phase II  
design of  
procurement -  
engagement report**

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Medical	Operations and Information	<b>Specialised Commissioning</b>
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**Publications Gateway Reference: 06706**

<b>Document Purpose</b>	Report
<b>Document Name</b>	PET-CT Phase II Procurement - Engagement Report
<b>Author</b>	NHS England Specialised Commissioning
<b>Publication Date</b>	13 April 2017
<b>Target Audience</b>	CCG Clinical Leaders, CCG Accountable Officers, Medical Directors, Directors of Nursing, NHS England Regional Directors, NHS England Directors of Commissioning Operations, Directors of Finance, Allied Health Professionals, Interested patient groups and providers of PET-CT services
<b>Additional Circulation List</b>	
<b>Description</b>	This report details the engagement activity which has taken place in designing the Phase II procurement for positron emission tomography and computed tomography (PET-CT) services covering specific geographical areas in England, which were not covered by Phase I procurement.
<b>Cross Reference</b>	4608
<b>Superseded Docs</b> (if applicable)	n/a
<b>Action Required</b>	n/a
<b>Timing / Deadlines</b> (if applicable)	
<b>Contact Details for further information</b>	Cancer Programme of Care Specialised Commissioning, 6th floor Skipton House 180 London Road, London SE1 6LH

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PET- CT Phase II design of procurement – engagement report

Version number: 1

First published: 13 April 2017

Prepared by: Nicola McCulloch

Classification: OFFICIAL

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## 1 Background to the engagement process

1. In 2014, NHS England carried out a national procurement for positron emission tomography and computed tomography (PET-CT) services covering specific geographical areas in England, known as Phase I. This exercise accounted for around 50% of the total PET-CT activity delivered in the NHS in England. The national PET-CT contract that was put in place replaced two contracts, PET-CT North and South, which were close to expiring.
2. Following the Phase I award of contract, NHS England undertook a review of service provision in the areas not included within Phase I and developed proposals for a second phase of procurement.
3. NHS England conducted a 30 day period of engagement from 7 January 2016 to 4 February 2016 to test the proposed design of the Phase II procurement. This document summarises the feedback received and how NHS England has taken it into account in the way it will carry out the procurement.
4. NHS England now intends to carry out a Phase II procurement to secure PET-CT services for the areas not included in Phase I. The procurement is due to formally commence during May 2017, in order to secure services to be delivered from 01 April 2018.
5. NHS England's objectives for the Phase II procurement, which have been developed following consideration of the public engagement responses and the further work that these responses led to, are:
  - **Sustain integrated and reliable care pathways.** High-performing pathways are well-integrated and seamless for both patients and clinical teams. PET-CT service providers may change as a result of the procurement, but care pathways must not be adversely disrupted.
  - **Secure a service that is high quality and value for money.** Maximising value from healthcare resources is important, this means reducing variation in service provision and price.
  - **Ensure sufficient capacity to meet future needs.** Optimal equipment utilisation, modern workforce practices and fair reimbursement mechanisms will ensure that sufficient capacity is available in the system to meet demand.
  - **Avoid reducing competitive pressures in the market.** The concentrated standard tracer supply market gives rise to risks of reduced competitive pressures, particularly if the procurement results in further market concentration and plurality of supplier is lost. This could be damaging for the PET-CT sector as a whole in the long-term.

## **1.1 Summary of the procurement proposals included within the public engagement**

6. NHS England proposed a procurement process that would seek bids from providers to deliver services in nine different lots that are geographically defined – though it is possible for there to be multiple PET-CT sites within each lot. In addition, the proposal included a maximum single price for scans and a limit on the number of lots any one bidder could be awarded in order to maintain plurality of supply.

7. The procurement process would ask bidders to propose solutions that addressed any inequity and maximised quality, access, patient experience and value for money, and specify the locations from which services will be delivered. This would mean that the location of PET-CT services could potentially change from where they are currently provided. However, until the procurement process is more advanced, we would not know the extent of any impact nor where it would be felt. This is because we will not have sight of proposed solutions until later in the process, and therefore any proposed changes to service location or the potential impact for patients. NHS England would need to consider its patient involvement duty in light of any potential change in location of PET-CT services.

8. As well as testing the procurement proposals, the engagement sought views on potential mitigation for any change in location of PET-CT services that could be built into the service requirements for bids.

9. The engagement was publicised via the NHS England website and through communications to NHS England stakeholders (including NHS organisations, charities, patient organisations, industry, partner organisations and professional bodies) an engagement guide was published explaining the proposed procurement process and described how stakeholders could engage with the process.

10. The engagement included a series of six questions for stakeholders to consider. Responses to the questions could be submitted via an online portal. This feedback is summarised in section 2.1 of this report. .

11. Two focus groups were held with patients and members of the public to introduce and explain the proposed procurement and explore what aspects of the service are important to support positive patient experiences. The feedback from this activity is summarised in section 2.2 of this report.

12. Three webinars were held to introduce and explain the proposals for Phase II procurement to stakeholders, enabling them to respond formally to the engagement. This feedback is summarised in section 2.3.

## **2 Summary of engagement findings**

## 2.1 Summary of responses received through consultation portal

13. There were a total of 311 responses to the online survey. Responders were able to select between a number of different responder categories, as follows:

- Patient/Public - 47 people;
- Service Provider/Industry - 33 people;
- Professional – 189 people;
- Other – 12 people; and
- Anonymous – 2 people.

Finally, 28 people responded as a combination of two or more categories.

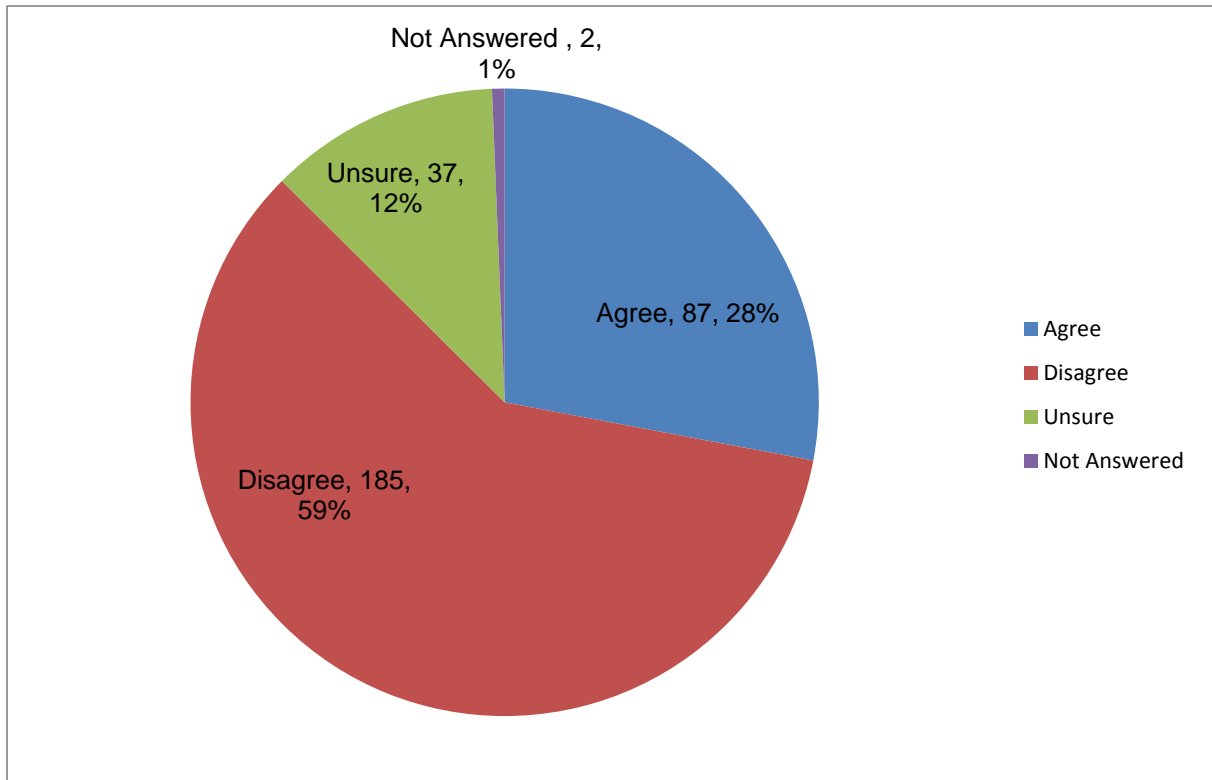
14. Included within the 'Other' category were: three commissioners and two Clinical Commissioning Groups (CCGs), Imaging Research, the Chair of a Patient support group chair in Merseyside, the Royal College of Radiologists, the Royal College of Physicians, a Professional Society and two administrative personnel.

15. As well as providing responses to the survey questions, most respondents qualified their view with free-text comments.

16. A summary of the themes arising in the comments has been included along with the quantitative response to each question. In addition to responses through the portal, a number of organisations submitted written responses. These submissions are also included in the summary below.

### 2.1.1 Feedback to Question 1

17. Question 1. Do you agree with the proposal to request a single unit price for all PET – CT scans in a lot area, regardless of tracer, service location or patient condition?



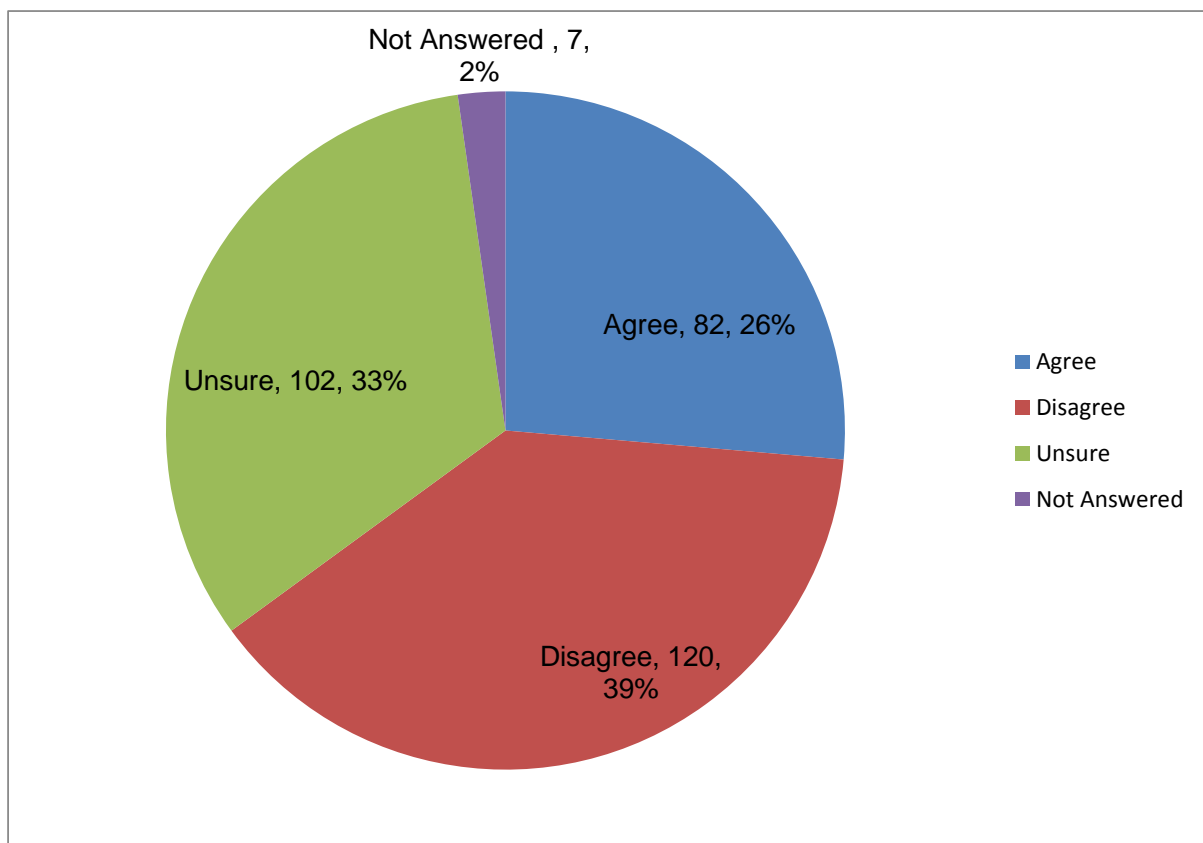
18. A majority of respondents disagreed (59%) that there should be a single unit price for all PET – CT scans in a lot area, regardless of tracer, service location or patient condition.

19. There were numerous comments concerned over how a single price, fixed for ten-years would allow providers to manage circumstances such as increases in the price of tracers and the difference between the prices of novel tracers.

### 2.1.2 Feedback to Question 2

20. Question 2. Do you agree with the proposed lot structure?





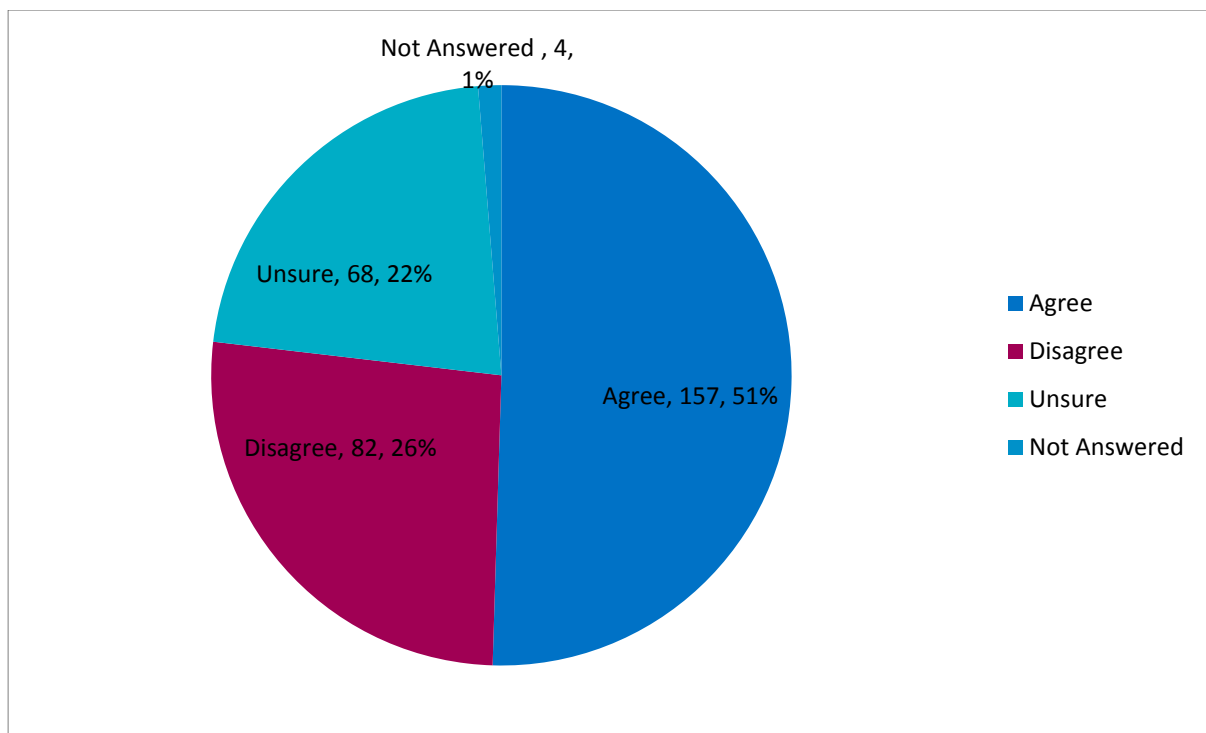
21. Feedback on the proposed lot structure was more finely balanced with more respondents (39%) disagreeing with the proposal compared to those who did agree (26%). About a third of respondents stated that they were unsure (33%).

22. A review of the free-text comments reveals that there is concern over changes to the geography of lots and the impact that may have on established patient pathways and in terms of increased travel times for patients and their carers if locations of services were to change. There were several comments that this would cause unnecessary disruption for existing well-established services.

23. Around a third (33%) of respondents stated they were unsure of whether they agreed or disagreed with the proposed lot structure. This was largely down to feeling that the information that they received in the engagement guide was not sufficient for them to have an informed opinion.

### 2.1.3 Feedback to Question 3

24. Question 3. Do you agree with the proposal to restrict the maximum number of lots awarded to any individual provider? (Current thinking being no more than 3 out of the 6 lots outside of London and 1 out of 3 in London)



25. A little over half of respondents (51%) agreed with the proposal to restrict the maximum number of lots awarded to any individual provider. Although around a quarter of respondents (26%) disagreed with the proposal and 22% were unsure of whether they agreed or not with the proposed lot structure.

26. The feedback indicated that those that agreed (51%) felt that the proposal would help to provide plurality of supply which in turn would prevent a monopoly by one single provider.

#### 2.1.4 Feedback to Question 4

27. Question 4. What characteristics do you consider important for patients when accessing PET – CT services?

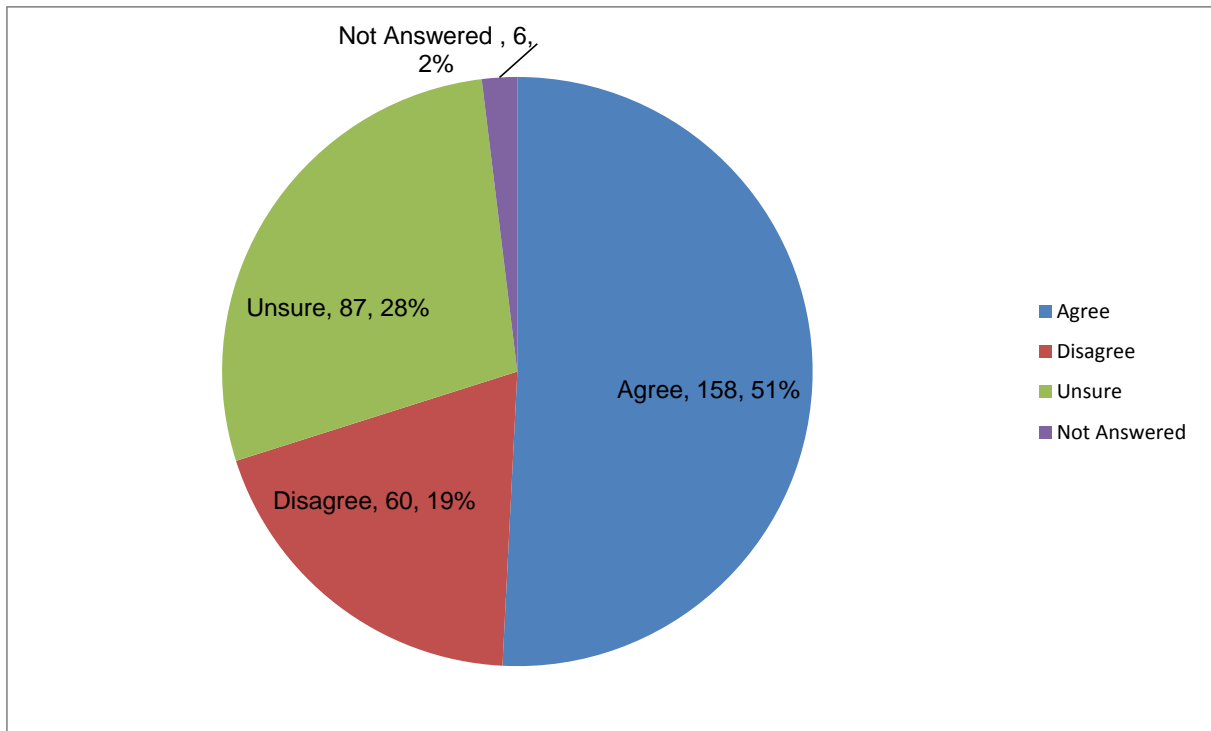
28. The majority of comments stressed the importance of the following 10 characteristics.

- Shorter travel times to reach sites;
- Affordable parking facilities with enough spaces;
- Appointment availability;
- A preference for static over mobile sites;
- Access to multidisciplinary team (MDT) networks;
- Access to real-time scan reporting systems;
- Good transport connections around sites;
- Co-location with existing services;
- Patient choice of site;
- Highly skilled staff;

- Cutting-edge diagnostics equipment;
- Commitment to research and development;
- Value for money.

### 2.1.5 Feedback to Question 5

29. Question 5. Do you agree with the proposed minimum criteria an ITT (Invitation to Tender) submission must satisfy prior to being considered further?



30. A little over half of respondents (51%) agreed with the proposed minimum criteria an Invitation to Tender submission must satisfy prior to being considered further. 28% of respondents felt they were unsure with the proposal, and 19% said they disagreed with the proposal.

31. There were several comments on the criterion that the submitted scan price must be equal to or less than the maximum scan price. Some felt that this did not account for instances where a higher scan price is needed to pay for a more expensive tracer. Others felt that it would only work if different prices were allocated for the different types of tracer. Several respondents felt that this would disadvantage centres that provide more specialist and complex scans.

### 2.1.6 Feedback to Question 6

32. Question 6. Are there any other criteria that should be applied at this stage? Please provide comments.

33. Most of the comments were very similar to the responses received to Question 4. However, there were numerous comments stating that the efficiency of image acquisition and real-time reporting of images should be incorporated. Also many felt that commitment to research and development and clinical trials was an important criterion that should be applied to the process.

## 2.2 Summary of face to face engagement

34. Two focus groups were held with individuals representing patients and public perspectives. The objective of the focus groups was to identify what a good PET –CT service would look like and to identify any potential impacts the procurement would have on patients. The main questions and issues emerging from this included the following.

- **Potential impacts on patients and the public if the location of current PET – CT services were to change**

Participants expressed concerns around potential changes to the distance of travel and complexity of journey to get to a scan appointment. This included the impact for people accompanying the patient to the scan appointment. There was concern that some locations may have better transport routes than others (rural locations often have very infrequent bus services). It was advised by the group that as part of the procurement process NHS England should ensure that the evaluation criteria for bids considered:

  - complexity of the journey;
  - average length of the journey for the catchment population; and
  - access to public transport links.
- **The importance of co-locating with existing cancer centres**

Several participants felt that it is important to ensure that there was no break in MDT approaches to care and treatment and that it was ideal to be diagnosed and treated in the same site. However, the group agreed that the scan could be done locally as long as there was no disruption in being able to see their clinical team. The discussion underlined the importance of sustaining integrated care pathways, even where providers of services along a pathway may be different.
- **Single price**

The point was raised that “different tracers incurred different costs” and it was questioned whether this “can be pulled out of a single price”. A member of the group also asked whether “London sites would stand to potentially lose out with a single price”, due to the increase in the need for more complex services. The group felt it was very important to review the financial model and allow for prices to change periodically.
- **Communications skills and training of staff**

This was felt to be important to ensure a good overall patient experience of PET – CT services. In particular it was noted that staff should have training to be able to help patients that have anxiety or claustrophobia to avoid cancellation of scan appointments (a video was suggested to illustrate what a PET – CT scan involved). It was noted by several people that this already existed in most PET – CT services, but the group felt that it should be a requirement of all service providers.

- **Appointment availability**  
The number of appointments available and the timings/days of available appointments affects patient experience and should be a consideration of the procurement process.
- **IT and digital infrastructure**  
Scan reports should be available immediately across sites and to all MDTs that are involved in patient care. Scan reports should also be accessible at the time of any review appointments.
- **Research & Development**  
A few members of the group felt that it was important to ensure that any changes in location of services fitted in with any research programmes being carried out. A question was raised about “whether there would be funding incorporated in the single price for research and development?”

## 2.3 Summary of webinar engagement

34. Three webinars were carried out during the 30 day engagement period, with more than 60 participants joining the sessions (in some cases, several people joined the webinars on a single computer/phone line). The webinars offered a chance for participants to ask questions about the proposed procurement plans and to raise issues for NHS England to consider in its approach to procurement. The main questions and issues emerging from these webinars included:

- **Single price**  
The majority of questions in the webinars concerned the intention to ask bidders to provide a single scan price below a maximum value.

Most often there was concern over how a single scan price would account for cost differences between the different tracers used in PET-CT imaging. These started from how bidders might come up with a blended price for tracers, whether scan prices would be assessed in each lot separately, what mix of tracers NHS England might expect to see in a service and how NHS England might set a maximum scan price. But further issues were identified too.

It was pointed out that service providers cannot control the price at which they buy all PET-CT tracers. The participant suggested that providers could then be held to ransom by tracer suppliers, and wondered if the answer is to procure services for FDG (the tracer used in the majority of scans) and have separate prices for other tracers.

A number of people asked how developments and innovations in scanning involving new and more expensive tracers could be included in a single scan price set into a long-term contract. And there were questions on what would trigger a review of a scan price included in a contract, should there be new developments, or how often would there be review of prices.

A few participants worried that some PET-CT scans were more complex or took longer and that this had cost and resource implications. They stated that

this would be difficult to account for in putting forward a single scan price in a bid. There was concern that providers currently carrying out a higher proportion of more complex scans (either using more costly tracers or having more complex cases) would be disadvantaged. Alternatively, the potential for commercial pressure to influence clinical decision-making was mentioned, in whether or not to carry out a scan that costs more on an individual.

Several participants asked how a single scan price could incorporate the cost of training staff (medical doctors, radiographers and scientists) and support research using PET-CT. These aspects may be more expensive, with participants wanting to make sure these opportunities are protected. Some wanted to know that there would be a level-playing field for those providers that carry out significant amounts of training and research.

- **Lots**

There were a few questions about the lots proposed for any procurement of these PET-CT services. Some participants asked for confirmation on how the procurement process might work with different lots (e.g. “Will NHS England be looking for a prime contractor for each lot?”; “In the event of a change of location of service in one lot necessitating further public engagement or involvement, will this slow procurement in other areas where there may be no change?”). Another question asked if NHS England was expecting providers to compete or collaborate, where there might be multiple current providers in a single geographical lot.

There was a question on what the criteria would be in deciding whether the South Coast area would end up being offered as one lot or two. Other participants asked about service provision where current providers might cross lot boundaries, and whether patients from one area might be referred into a different lot to receive a particular type of scan.

- **Patient choice**

One question that came up in two webinars was how the proposed tendering exercise might affect patient choice in selecting a PET-CT provider.

- **Considerations in procurement design**

Some participants wanted to know a bit more about the procurement approach and any specifications that might be required of bidders. These included: a request to know more about what would be in the Pre-Qualification Questionnaire (PQQ); whether the Invitation to Tender (ITT) process would include indicative activity levels for PET-CT scans; will a market-forces factor be applied in any maximum scan price; whether a single IT solution would be required over each of the lots; and a desire to have more information about the auditing of reporting for any organisation awarded the contract.

- **The basis for procurement**

A few participants wanted NHS England to provide more of a case for why procurement was being considered for these services. There was a feeling that this round of procurement was different to Phase 1 (a first-round of

procurement of PET-CT services where two national contracts were coming to an end), which largely replaced mobile scanners with static ones.

- **Information on procurement process**

There were a few questions asking for information on the proposed procurement process: likely timescale; contract start date; planned term of any contract; and whether bidders would be restricted to current providers.

- **Questions on engagement**

One or two participants commented that the engagement was asking specific questions on the design of the process without there being procurement documents available to allow informed answers. A further participant wished for a greater amount of patient engagement in the design of the procurement process, noting that many patients might find responding to the online survey difficult. A postal address was provided.

### 3 How NHS England has considered the feedback

35. The procurement design has been revised substantially from that presented within the Public Engagement guide and these were formally approved by NHS England in April 2017.

36. Table 1 summarises the feedback received by question and the action that has been recommended, however, the headline changes include:

- The procurement structure is now split between: (i) scanning services and supply of novel tracers (those produced in a radiopharmacy facility); and (ii) supply of standard tracers (those produced in a cyclotron).
- The pricing mechanism now reflects the split procurement structure and includes: (i) a fixed and marginal approach for scans; (ii) a fixed price for each novel tracer; and (iii) a fixed price for supply of standard tracer.
- The geography of Phase II has been divided into eleven Lots, an increase of two on those proposed within the Public Engagement documentation. This change has been made to ensure that existing well-established care networks will not be adversely affected by a change of PET-CT provider.
- The evaluation of bids has been strengthened. Responses to service and quality questions will be required to meet a minimum threshold score for each and every question, failure to demonstrate an acceptable level of quality will result in disqualification.
- In addition to technical service and financial questions, bidders will be also be required to respond to a specific question relating to patient access, equalities, health inequalities and patient experience. This is a further measure being taken as a result of the feedback obtained through the engagement process and will help ensure that services, commissioned as a result of the procurement process, meet the needs of patients.



**Table 1**

<b>We asked</b>	<b>You said</b>	<b>We did</b>
<p>Do you agree with the proposal to request a single unit price for all PET – CT scans in a lot area, regardless of tracer, service location or patient condition?</p>	<p>Agree - 28% Disagree – 59% Unsure – 12 %</p>	<p>The points raised by responders were considered and the Phase II procurement approach has been revised substantially.</p> <p>The procurement will not require a single unit price for PET CT scans regardless of tracer, service location or patient condition. Instead, different prices will apply to the different components of the service, such as: (i) scan and reporting services; (ii) novel tracers; and (iii) standard tracers.</p> <p>A marginal rate will also be introduced to better reflect how scan and reporting services are organised and delivered. The introduction of marginal rates is designed to better link activity volume with the fixed and non-fixed costs of care.</p> <p>These changes have been made to enable bidders to submit sustainable and competitive, long-term prices as this is in the best interests of patients and taxpayers alike.</p> <p>NHS England recognises that costs of care do sometimes vary by geography. As such, it is expected that the prices submitted by bidders will vary across the different lots. As such, Market Forces Factor uplifts will not be applied.</p>
<p>Do you agree with the proposed lot structure?</p>	<p>Agree – 26% Disagree – 39% Unsure – 33%</p>	<p>Following consideration of the concerns raised in relation to the proposed nine lot structure, further work was undertaken to better understand existing patient pathways. The lot structure has been substantially revised.</p> <p>Phase II now contains 11 lots, which are geographically defined by Primary Referring Organisation (i.e., Hospitals). This represents an increase of two lots on the number originally proposed. The changes impact on the South Coast, which was particularly commented on by responders, and South-West Midlands because it was felt that there was no existing history or commonality of care pathway. NHS England recognises that, where patients move between a number of</p>



		<p>different hospitals along the same care pathway, it is particularly important for clinicians and multi-disciplinary teams (MDTs) to be supported by diagnostic services that operate in a consistent way.</p> <p>Responders highlighted the need for some patients to be able access scans in different places. The procurement now includes a mechanism to enable referral to other services where there are particular clinical factors. For example, scans for rare indications, where there may only be a handful of PET-CT specialists in the field able to report images; or where there are a number of geographically close Lots, such as those in London.</p> <p>Because of the concerns raised about travel and access to scanning services and the need to sustain integrated care networks and pathways, the procurement will stipulate that scanning services must be provided from within the geography of the Lot. This is to help to minimise the potential disruption on patients, ensure seamless care and sustain integrated care networks. To further ensure that winning bidders meet the needs of patients, all bidders will be required to answer a question relating to patient access, equalities, health inequalities and patient experience.</p>
<p>Do you agree with the proposal to restrict the maximum number of lots awarded to any individual provider? (Current thinking being no more than 3 out of the 6 lots outside of London and 1 out of 3 in London).</p>	<p>Agree – 51% Disagree – 26% Unsure – 22%</p>	<p>The mechanism to restrict the number of lots awarded to any bidder has been retained, however some changes have been made to reflect the revised procurement approach and lot structure and the differences in lot size, as follows:</p> <ul style="list-style-type: none"> <li>• <b>Scan and reporting services and novel tracers:</b> no more than 4 out of 8 lots outside of London and 1 out of 3 in London; and</li> <li>• <b>Standard tracers:</b> no more than a 60% share of the total Phase II activity can be awarded to any individual bidder.</li> </ul>
<p>What characteristics do you</p>	<p>Numerous</p>	<p>NHS England have considered the points</p>

consider important for patients when accessing PET – CT services?	comments received, please see point 27 on page 9 of this document	raised and have included in the procurement a requirement for Bidders to describe how their proposed service will consider and incorporate access, patient experience and inequity in service provision. The response to this question will be evaluated and scored.
Do you agree with the proposed minimum criteria an ITT (Invitation to Tender) submission must satisfy prior to being considered further?	Agree – 51% Disagree – 19% Unsure – 28%	No changes are proposed.  NHS England has reviewed, with expert clinical advice, the minimum criteria a Bidder would be expected to meet. It has been concluded that Bidders must meet an overall minimum service threshold score. This has been further strengthened to require a minimum threshold score for each question within the service and quality assessment in order to ‘pass’ that aspect of the evaluation.  This will help to ensure a high standard of quality is achieved as a result of the procurement.
Are there any other criteria that should be applied at this stage? Please provide comments.	Please see point 32 of page 11 of this document	The objectives for Phase II have been developed in response to the feedback received and the further development work undertaken by NHS England. The evaluation process has been reviewed and developed so that bidders capability and capacity to deliver these objectives and the service specification will be rigorously tested.

## 4 Next Steps

37. NHS England is committed to involving people in the consideration of service change proposals and is mindful of its duty in this regard. Therefore, alongside the public engagement report, there will be a number of webinars offered to members of the public and patient associations. This will provide an opportunity to ask questions and receive further information about the Phase II procurement. These will take place ahead of the procurement commencing.

38. It is also anticipated, as the procurement progresses, that further engagement activities may be required to ensure that people are involved in the process.