Q1 review on the NHS 2016 Pharma
What's been going on this quarter in the NHS?

Location-based healthcare
OFSTED for CCGs

PLANNING SUSTAINABILITY

HRG4+ Devolution Implementation

NHS IMPROVEMENT Efficiency

ALLOCATIONS GP Federations

The mandate
What's been going on this quarter in the NHS?

Industry has a tendency to be reactive to NHS changes, rather than proactively developing strategy to align with shifts in the landscape.

As we face 2016 – with key changes to the NHS in England looking to overturn many things we thought we knew about the service – it’s really time to engage with all of this.

Place-based healthcare, accountable care and the grand collaborative projects of the Five year forward view are perhaps the biggest topics for industry to grapple with this year; it does seem to be the beginning of the end of the idea of strict ‘payers’ and ‘providers’, and even of ‘primary’ and ‘secondary’ care. These boundaries have defined a lot of what industry does and how it organises itself.
What's been going on this quarter in the NHS?

A lot of adaptability and open-mindedness will be required this year, as these changes are implemented, and beyond, as the ‘Stevens NHS’ morphs into something we haven’t seen before.

We now know a little bit more about the finances and KPIs of the NHS in 2016 and beyond too, including OFSTED for CCGs, financial models for vanguards, KPI development for vanguards and a variation reduction plan.

The CCG framework will have KPIs devoted to important therapy areas such as cancer, diabetes, dementia, and mental health.
What's been going on this quarter in the NHS?

Whilst the £8bn Osborne funding settlement has bought the NHS a little time and will ensure it stays afloat, you’ll hear more and more about the efficiency agenda – especially via the new body NHS Improvement.

This will be tasked with making sure all NHS bodies are operating as productively as possible in their practice, staffing and spend – and will also build on the ongoing hospital operation, medicines optimisation and device procurement reforms currently led by Lord Carter.
Revision: what are the different types of vanguards?

**MCPs** – multispecialty community providers. Primary care based enhanced service providers.

**PACS** – Primary and acute care systems. Joined up acute and primary care, with an accountable care structure and sharing of staff and resources.

**ACCs** – acute care collaborations. Hospital chains, accountable care networks, speciality franchises.

**Enhanced care in care homes** – offering NHS services and staff on site in state care homes in order to better manage LTC patients and join up health and social care.

**UECs** – urgent and emergency care vanguards. Networks of A&E providers intending to use new settings, staff mixes and ways of working to improve services.

These five models are ‘the future of the NHS’, as set out in the *Five year forward view*. 
The NHS *Five year forward view* stakeholders have published an *updated national support package* for all 50 vanguard sites – which is well worth a read for anyone selling to the NHS.

This follows an initial programme published in July for the first 29. Now there are a further eight urgent and emergency care (UEC) and 13 acute care collaboration (ACC) vanguards.

There is still a lot to sort out about how these will operate and this document attempts to rationalise it. The diagram on the next page attempts to capture the challenge for the vanguards going forward.
How are the vanguard sites being supported?

The revised package reflects the needs of the UEC and ACC vanguards – but also has the latest thinking of the workstreams identified on the previous page.

New operating models have been added to support the ACC vanguards, linking hospitals together to improve their clinical and financial viability.

The document is packed with case studies on what the current vanguards are doing.
How are the vanguard sites being supported?

**Action points**

- Each vanguard site is taking the lead on the development of care models that will act as the blueprints for the rest of the NHS moving forward.
- If there is a site in your area make sure you are aware of the changes.
Over 80% of clinical commissioning groups (CCGs) in England have at least one large-scale GP provider group in their area and 75% of the population is covered by one.

According to information collected by the Health Service Journal (HSJ), 41m patients are being treated in over 178 GP groups.

However CCGs in parts of Nottinghamshire, Surrey and the Northwest said GP federations were not currently operating in their areas, but that collaboration between practices is under discussion.
Mike Bewick, former national deputy medical director at NHS England, told HSJ the research raised concerns about 'a lack of ambition and clear priorities' among GP groups.

He said: 'While there were common themes such as improvement in health outcomes, improved clinical governance, improved access over seven days and seasonal issues, the most common theme was 'no plan at all'.

How widespread are GP groups and federations and are they working?
He added 'Simon Stevens has asked for new leadership (in extended primary care via the *Five year forward view*) and while this may be obvious in the publicised vanguards, it is less so from this.

It is important that federations lead the way in service change rather than following it.'
How widespread are GP groups and federations and are they working?

**Action points**

- These organisations are prime potential customers for industry – particularly those that sell to primary care. You will need to investigate how individual groups work, what their priorities are and how to approach them.

- If you work in a patch that is not covered by a GP group, plans and discussions are likely to be in place to create one. Monitor these.
What’s the latest on devolution?

The map opposite (from the Health Foundation) offers a good summary of the latest state of play in devolution.

38 bids for some kind of devolved settlement, some of which will include NHS devolution – the red and pink areas - are currently being processed.
NHS chief executive Simon Stevens says he doubts the devolution deal agreed in Greater Manchester will be exactly replicated in many other areas.

In an interview published in the Health Service Journal (HSJ) he said the move for devolution in Cornwall would probably not see the region take on the same extent of responsibilities as Manchester. Some boroughs in London will move towards integration, while the West Midlands might invest in mental health services.
Monitor has published a document on its thinking around how to organise the local health service, with various structural unit types and sizes being proposed.

The future hangs in the balance for some of the ‘Health and Social Care Act’ bodies in the light of the Five year forward view.
Regarding area teams specifically, what we know from this document is this:

- the 27 ATs and 10 specialised commissioning area teams do not exist anymore
- There are 10 specialised commissioning hub ‘footprints’ providing data on the populations involved
- There are 13 x sub-regional commissioning teams, each headed by a DCO (director of commissioning operations). These are current positions and will lead regional commissioning, including specialised, in 2016/17.
What is the current regional commissioning structure then, and who is in charge of each?

1. Cumbria and North East – **DCO Tim Rideout**
2. Lancashire and Greater Manchester - **DCO Graham Urwin**
3. Cheshire and Merseyside – **DCO Clare Duggan**
4. Yorkshire and Humber – **DCO Moira Dumma**
5. West Midlands – **DCO Alison Tonge**
6. North Midlands – **DCO Wendy Saviour**
7. Central Midlands – **DCO Elliott Howard-Jones**
8. East
9. London
10. South Central – **DCO Rachel Pearce**
11. South West – **DCO Mark Cooke**
12. South East – **DCO Felicity Cox**
13. Wessex – **DCO Dominic Hardy**

This is based on the latest information we have: LinkedIn profiles supplied where available.
Delivering the forward view: NHS shared planning guidance for 2016/17 — 2020/21 was released in December, backed up by £560bn of NHS funding for the period.

The budget includes a ‘sustainability and transformation fund’ of £2.1bn in 2016/17, rising to £3.4bn in 2020/21, aimed at supporting implementation of the Five year forward view. Healthcare services should be planned by location rather than around individual bodies under this deal.

Each organisation is expected to produce an operational plan for 2016/17 and a sustainability and transformation plan for October 2016 to March 2021.
The FYFV: what next?

Action points

• All these documents are essential reading for industry representatives because they give insight into what the NHS is expected to do over the next six years and what services it will need

Industry impact

• New models of care will affect how you do your jobs and may impact how you approach customers, who wields power over budgets and market access issue
Will new models of care be extended beyond vanguard sites?

Simon Stevens says that he expects the FYFV new models of care to be rolled out across the country in 2016, while 'there's an appetite for it'.

The NHS England chief executive said 'now is the time to go through the pain barrier' and extend MCPs, enhanced health in care homes and UEOs beyond their current vanguard sites.

He also want to see primary care redesigned so its contains a mix of staff, including pharmacists in practice teams, with more opportunities for patients to interact with GPs.
NHS England has begun a commissioning strategy programme that will 'redefine the boundary between commissioning and provision', *Health Service Journal (HSJ)* reports.

The **proposed national commissioning strategy** aims to:

- establish **place-based commissioning**, bringing together commissioning of primary and specialised services. This will mean more clinical commissioning groups (CCGs) would have to take up co-commissioning.

Could NHS England’s proposed plans mean big changes to commissioning are on the horizon?
...continued

- focus on the implementation of outcomes-based contracts and capitated budgets to aid accountable care organisations and the new models of care set out in the Five year forward view (FYFV)
- change contracts for specific specialist services so that they underpin collaborations between trusts on a single specialism, as proposed by some hospital chain vanguards
- make the purchaser-provider split ‘thinner and less defined’
Could NHS England’s proposed plans mean big changes to commissioning are on the horizon?

...continued

• define the role of CCGs
• some will act in a reduced role and focus on contract monitoring, actuarial functions, budgets, setting and measuring outcomes
• others will act in a maximised capacity, leading on service redesign, designing and monitoring multiple contracts, assessing the needs of a population, potentially over a large geographical area
What’s important for industry to note about these commissioning changes?

**Action points**

If the HSJ report turns out to be accurate, it will be evidence of changes on the ground that tally with the stated aims of the FYFV and other NHS England statements about the future of commissioning. In light of this, expect to see:

- **fewer commissioners.** CCGs (probably those that have formed joint committees) are going to be working together to commission services across a far wider area. They will have a stronger purchasing power and it may enable you to get products taken up across the region. Identify CCGs that have formed joint committees.
What’s important for industry to note about these commissioning changes?

Action points

• **the rise of the 'super CCG'**. These will make decisions, leading on service redesign and innovation (CCGs that act in a reduced role may be subsumed by leading CCGs). Monitor these powerful emerging organisations.

• **a focus on commissioning services/products that meet predefined outcomes**. There may be market access opportunities here.
What’s important for industry to note about these commissioning changes?

Action points

- **innovative contracting arrangements implemented across the NHS.** Be on top of the way services are contracted in your clinical area as it will impact who your customers are. They often result in public, private, voluntary, etc partnerships. The customer base is opening up, expand your stakeholder map

- **hospital chains and collaborations** between trusts on single specialisms. This should help to drive up quality and make it easier for industry to know who to target with your products and services. Identify the leaders in your clinical area — they will be front-runner
What is place-based commissioning?

NHS England has announced a further 52 clinical commissioning groups (CCGs) have been authorised to take on delegated responsibility for commissioning GP services from April 2016.

This means that more than 50% of CCGs have now taken on delegated responsibility for commissioning primary care services from NHS England.

‘This announcement is part of the wider plan to achieve placed-based commissioning. CCGs are increasingly wanting to join up the commissioning of general practice with other community services in order to develop more integrated care for their communities and patients. Provided that conflicts of interest are managed robustly and properly, we are learning that the delegated model looks most likely to deliver the greatest benefits.’

Ian Dodge, national director for commissioning strategy at NHS England
What is place-based commissioning?

**Reflection**

- There are three levels of responsibility CCGs could take on to commission primary care services: delegated (taking over entirely from NHS England); joint working (commissioning services alongside NHS England); and greater involvement

- Place-based commissioning means commissioning services to address the challenges and improve the health of the populations of the area they serve

- NHS England hopes giving CCGs delegated responsibility will enable CCGs to improve out-of-hospital services, develop the new models of care set out in the *Five year forward view* and develop commissioning based on improved health outcomes for local people. The changes highlight how important it is for industry to do its homework and understand the needs of the regions.
What will be the overall funding settlement for NHS England over the next five years?

The NHS England Mandate contains the following figures, in £m:

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<tr>
<td>Total revenue budget (£m)</td>
<td>106,496</td>
<td>109,853</td>
<td>112,335</td>
<td>115,435</td>
<td>119,535</td>
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<tr>
<td>Capital budget (£m)</td>
<td>305</td>
<td>310</td>
<td>315</td>
<td>320</td>
<td>326</td>
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Monitor regulators have issued draft national tariff prices for 2016/17 together with its responses to a consultation on a revised tariff.

The basis of the 2016/17 tariff will be the ETO (enhanced tariff option) which is currently used by 80% of trusts.

The increase for 2016/17 is 3.1%, taking into account adjustments for the effect of changes to pensions. There is an efficiency factor of 2%. It also includes a 17% increase in contributions to the clinical negligence scheme for trusts (CNST).
What’s the deal with the new HRG4+ tariff?

The new tariff, HRG4+, is now going to be introduced in 2017/18. It makes several changes.

• Patients are to be grouped in a new way, informed by ‘better clinical logic’
• The tariff is to be more detailed to better reflect the complexity of patient care, using a points system
• This will lead to there being many more healthcare resource groups (HRGs) with new prices based on complexity
• there are to be more identified age categories where the costs change with the age of the patient
• HRG4+ will be used to create new outcomes-based tariffs and payments
How is the DH planning to change the national tariff?

Action points

• The crunch point here is whether providers and commissioners are able to work with the proposed tariff and still achieve the important key performance indicators

• Industry strategists and marketing and sales executives at local and national will need to gauge opinion among NHS managers and clinicians to identify the future prospects for NHS spending on products and services
What’s the latest on the Carter reforms?

Lord Carter published another iteration of his hospital procurement review in October, and yet another, more detailed version will be published by the end of January.

This excerpt, from the October version, gives a flavour of what to expect – more granularity in terms of what clinical areas must cut costs, with departmental savings being placed under the microscope. He wants to save £5bn overall.

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Potential saving (£ million)</th>
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<tbody>
<tr>
<td>General medicine</td>
<td>381</td>
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<tr>
<td>Obstetrics and gynaecology</td>
<td>362</td>
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<tr>
<td>Trauma and orthopaedics</td>
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<td>Pathology</td>
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<td>General surgery</td>
<td>234</td>
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<tr>
<td>Community nursing</td>
<td>217</td>
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<tr>
<td>High cost drugs</td>
<td>213</td>
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<tr>
<td>Paediatrics</td>
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<tr>
<td>Intensive and critical care</td>
<td>209</td>
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<tr>
<td>Cardiology</td>
<td>184</td>
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</table>
What’s the latest on the Carter reforms?

The Carter review process has not been without controversy.

Procurement professionals have said they expect to be ‘beaten up’ again using reference cost data that is flawed.

Carter intends to publish a ‘procurement price index’ of **100 commonly used products** – but sources have said this does not take into account local deals and rebates.
What’s the latest on the Carter reforms?

Secondary care perspective

• The Carter process will be of huge importance to the wider financial picture of your secondary care customers.

• Not only will hospitals have to come up with these individual procurement plans and be transparent about their 100 products, but their response to Carter will determine whether they can access George Osbourne’s £1.8bn transformation and sustainability fund.
What does the new 2016 mandate say about NHS efficiency?

NHS England and NHS Improvement, the new efficiency body, must ensure the NHS balances its budget in each financial year.

Year on year improvements in NHS efficiency and productivity (of 2-3% each year) must be made, including from reducing growth in activity and maximising cost recovery.

Reflection
• It’s not entirely clear how NHS England and NHS Improvement will square reducing growth in activity with the huge upsurge in demand the NHS is experiencing.
A survey of doctors shows that patients are being denied mental health care, replacement hips and knees and drugs for conditions including cancer.

Healthcare intelligence provider Binley's OnMedica research shows that the NHS is increasingly rationing treatments to try to overcome cash problems. Three quarters of doctors surveyed said they had seen care rationed in a wide range of areas over the last year.

BMA chair Dr Mark Porter said the survey showed how the NHS was being forced to choose between which patients to treat, with some facing delays in treatment and others being denied some treatments entirely.
Jeremy Hunt’s **NHS mandate** for 2016/17 contains several ‘2016/17 deliverables’ for CCG performance:

‘By June, we will publish results of the CCG assessment framework for 2015/6 which provides CCGs with an aggregated Ofsted style assessment of performance to benchmark against other CCGs and informs whether NHS England intervention is needed.’
What will be in this new CCG OFSTED review?

The new Ofsted-style CCG framework for 2016/17 will include:

Ofsted-style assessment for each of cancer, dementia, maternity, mental health, learning disabilities and diabetes, as well as metrics on efficiency, core performance, technology and prevention.

By the end of Q1 of 2016-17, NHS England will publish the first overall assessment for each of the six clinical areas above.
What will be in this new CCG OFSTED review?

**Action points**

- The mandate shows two things: what the government wants the NHS to do and achieve; and how much money the NHS has to do it with.
- These two things are essential knowledge for you in your planning and interactions with clients.
- Study the mandate (it is only 19 pages long) and see how you can factor its main points into your work.
What do we know about reward and sanction frameworks for the vanguards?

**The new support package says:**

‘Existing quality payments such as commissioning for quality and innovation (CQUIN), quality and outcomes framework (QOF) and the quality premium, will need to be reimagined and simplified, in order to create aligned, whole-system incentives that support new care models.

A joint workstream on payment design and pricing will take learning from these existing schemes and academic research to start developing new pay-for-performance schemes.’
What do we know about reward and sanction frameworks for the vanguards?

For example, East and North Hertfordshire Clinical Commissioning Group have introduced a care premium payment to reward care homes signed up to provide enhanced care for complex conditions in care homes.

A short menu of standard options will be co-designed with the vanguards. The work will also examine how the current system of sanctions might operate contractually in a PACS, MCP, UEC or ACC vanguard.

These will be published during 2016.
Pharmaceutical industry officials have said they are disappointed that the latest innovation scorecard shows access to medicines remains subject to wide variation across England.

Association of the British Pharmaceutical Industry (ABPI) acting chief Alison Clough said the figures published by the Health and Social Care Information Centre (HSCIC) showed variations up to 30 times in access to prescribed medicines.

These include new stroke prevention medicines recommended by the National Institute for Care and Health Excellence (NICE).
What do the latest innovation scorecard figures show?

Ms Clough argued that the scorecard should be presented in an easier to understand format.

The latest scorecard figures include medicines used in the treatment of Alzheimer's disease and osteoporosis and novel oral anti-coagulants, estimates of medicines used in treating metastatic castration-resistant prostate cancer and relapsing-remitting multiple sclerosis.

The scorecard also provides data on key medical devices.
What does the new OpenPrescribing website mean for the pharma industry?

This is from the University of Oxford Centre for Evidence Based Medicine, based on data published by NHS England.

The website was developed to help users identify waste — for example, situations where GPs are prescribing large amounts of expensive medicines. Users can compare GP practice prescribing of individual medicines with neighbouring practices, clinical commissioning groups and practices nationally.

The results can be shown on an interactive map, and also patterns can be tracked over time.

Action points

- Primary care reps and others can also use it to identify which GP practices may come under pressure to change their prescribing habits by reducing unnecessarily expensive prescribing
- And to identify practices that appear to be under-prescribing treatments
NHS England has announced the 73 applications for funding to the pilot scheme to recruit and employ pharmacists in 698 GP practices.

The funding for the pilot is £31m and some 403 pharmacists are to be appointed. NHS England says recruitment is to begin immediately.

The pharmacists are expected to provide extra help to manage long-term conditions, specific advice for patients taking multiple medications and more access to clinical advice on treatments. Royal College of GPs chair Dr Maureen Baker said there was a severe shortage of GPs and that having pharmacists working with GPs will help alleviate the pressure and improve patient safety.
Are your target GP practices going to pilot the clinical pharmacist role?

The Royal Pharmaceutical Society has published a short film about the clinical pharmacist role in general practice.

It features pharmacist Rena Amin who works at a GP practice in the NHS Greenwich Clinical Commissioning Group area.

Action points

• Under the terms of the original pilot proposal, each pilot should include at least one senior pharmacist qualified to prescribe. All pharmacists involved are expected to see patients.

• They may also be asked to address aspects of medicines management and prescribing policy and practice. Primary care reps may find it useful to ask GPs and the appointed clinical pharmacists about this.
COMING SOON…

In Q1, Look out for…

- **Wellards Event: The NHS: what's happening?**
  Following the huge demand for, and success of, our first two live Wellards NHS update event, we’ll be running another one in April. Look on the website for forthcoming details.

- The all-new Wellards **Regional reviews**, covering London, South East, South Central, South West, West Midlands, East Midlands, East of England, Yorkshire and the Humber, North West and North East - out in January

- Updated **Scotland Diploma** and Q1 **Scotland review**

- **Q1 Oncology review** – out in February

- **Q1 Diabetes** and **mental health** review – out in February

- **NEW** Q1 **Hep C** and **Rheumatology** reviews – out on February and March

- **NEW** courses on **Account planning** and **Non-clinical conversations**

- **NEW** interviews with your key NHS customers