Oxfordshire
Clinical Commissioning Group

Update on Outcome Based Contracting

1. Introduction

At its last meeting the Joint Health Overview and Scrutiny Committee received a brief paper on the work being undertaken by Oxfordshire Clinical Commissioning Group to develop outcomes based contracting for mental health and older people's services. The Committee asked for further clarity and detail in a number of areas. This paper addresses the issues raised and is the basis for further discussion.

2 Defining and monitoring the outcomes

2.1 Outcomes and indicators

The high level outcomes that we are focusing on have been developed from previous work undertaken with the County Council in terms of developing joint commissioning strategies and, importantly, by listening to what users and carers told us were important to them. Each outcome has associated with one or more indicators which are we will use to measure whether there is improvement. Each indicator has a clear definition and the contract will specify the baseline (or the timeframe in which the baseline will be agreed) and the improvement trajectory over the lifetime of the contract.

For each service area the high level outcomes and some indicators (these are only some of the proposed indicators not the full set, these are still subject to contract negotiation) are given below:

<u>Mental Health</u>

- People with severe mental illness will live longer
- People will improve their level of functioning
- People will receive timely access to assessment and support
- Carers will feel supported in their caring role
- People will maintain a meaningful role
    - Indicator: Proportion of people in employment, education or structured volunteering
- People will continue to live in stable accommodation
- People will have better physical health –
        - Indicators: Reduced use of urgent care pathway; Proportion of people with "normal" BMI and Reduction in the number of people smoking

Older People

- As an older person or carer, I want to be helped to be healthy and active
    - Indicators include: Percentage of people discharged to community rehabilitation from acute care; Percentage of people who complete the reablement service that receive no on-going care; Flu and pneumococcal immunisation rates
- As an older person or carer, I want to be helped to be as independent as possible in the best place for me
    - Indicators include reduction in delayed transfers of care
- As an older person or carer, when I am in need or care, it is safe and effective
- As an older person or carer, I want to have a good experience and be treated with respect and dignity

2.2 Contract management

The outcomes and indicators are in addition to standard quality schedules that are within the overall contract. A single contract will be let for each service area. The contract would be the NHS Standard Contract which includes clauses to cover foreseeable risks such as poor performance, provider failure, termination conditions etc. There is a clearly outlined escalation framework for addressing poor performance which includes the ability to withhold payment. The main change is that the payment currency will be outcomes not activity.

The contract would be let for a longer period (probably 5+2 years) to enable provides to have security to make the service and pathway changes required. This will be supported by a clear performance framework. The overall performance framework within the contract will clearly identify all measures that need to be delivered; this includes both the indicators being used to measure delivery of the outcomes and those that are core quality measures (for example infection control, waiting times, national clinical standards and safeguarding standards). The contract will be clear as to the actions to be taken if the provider fails to provide the data or deliver the required performance. At all times the priority will be to ensure the delivery of safe services.

3 Provider Assessment and current position

3.1 Approach to Provider Assessment

Oxfordshire Clinical Commissioning Group agreed that for these service areas it would be in the best interests of the patients and public to work with the current providers. This involved an assessment process (“Most Capable Provider Assessment”) The Clinical Commissioning Group ran this process in line with our responsibilities under the NHS Procurement, Patient Choice and Competition Regulations. It is for the CCG to decide what services to procure and how best to secure them in the interests of patients, within the framework of the Procurement, Patient Choice and Competition Regulations.

It is important to recognise that the most capable provider assessment is undertaken to ensure that OCCG is assured that the providers are willing and capable of delivering services that will achieve the identified outcomes. A positive outcome from the most capable provider assessment would lead to a recommendation to proceed to contract negotiation.

The most capable provider assessment assesses Provider proposals against the following criteria:

a. Provider engagement and demonstration of appetite to jointly develop a new service model
b. Acceptance of key principles
c. Demonstration of capabilities

3.2 Update on Mental health

Contract negotiations with the Oxford Mental Health Partnership (comprising of Connections, Elmore Community, Oxford Health NHS Foundation Trust, Oxfordshire Mind, Response Organisation and Restore) are underway.

3.3 Update on older people

The proposal submitted by Oxfords Health NHS Foundation Trust and Oxford University Hospitals NHS Trust has been evaluated. The Evaluation Panel determined that in light of the moderated scores, the proposal met the threshold set out in the most capable provider assessment in five of the six domains The proposal from the Providers was based on a different population and service scope from that which was set out by the commissioners in their invitation to participate in the process and productive discussions are ongoing to reach a joint understanding of scope and reach agreement on the methodology for determining the financial envelope. We expect to conclude these discussions in the next month.

This is a complex service area so it is not surprising that it has been necessary to have on-going discussions regarding scope and financial envelope. The positive approach taken by the Providers must be recognised alongside their commitment to making this work for patients.

4 Scrutiny of potential changes in services

Following contract award, if Providers wish to propose changes to services to enable them to deliver the improvement in outcomes these would be subject to normal arrangements for engagement and consultation (depending the nature of the proposed changes). This is covered by legislation and NHS England guidance to commissioners.

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