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| <b>REPORT TO:</b>     | <b>HEALTH AND WELLBEING BOARD (CROYDON)</b><br><b>10 February 2016</b>  |
| <b>AGENDA ITEM:</b>   | <b>8</b>  |
| <b>SUBJECT:</b>       | <b>Outcomes based commissioning for over 65s – Update Report</b>  |
| <b>BOARD SPONSOR:</b> | <b>Paula Swann, Chief Officer, CCG</b><br><b>Paul Greenhalgh, Executive Director, People, Croydon Council</b> |

**BOARD PRIORITY/POLICY CONTEXT:**

Croydon Clinical Commissioning Group (CCG) and Croydon Council have worked collaboratively to develop a transformation programme which will enable improvements to be achieved through a whole systems approach to health and social care.

The vision for Croydon is that people experience well-co-ordinated care and support in the most appropriate setting, which is truly person-centred and helps them to maintain their independence into later life. With an ageing population, the focus of the programme is on services for the over 65s and the outcomes that local residents have said are important to them – those factors that make a genuine difference to their health, well-being and quality of life.

The proposal has been developed to deliver Croydon CCG’s vision of “longer, healthier lives for all the people in Croydon” and meets the key national overarching aims – ‘Everyone Counts: Planning for Patients 2014/15 to 2018/19. NHS England’ and supports the Council’s key strategic priorities with regard to promoting and sustaining independence, well-being and good health outcomes for Croydon residents.

Additionally, the programme aligns with the aims of the Better Care Fund which are that health and social care services must work together to meet individual needs, to improve outcomes for the public, provide better value of money and be more sustainable. The programme builds on a long history of joint work in Croydon, including recent developments in delivering whole person integrated care through the Transforming Adult Community Services work.

**FINANCIAL IMPACT:**

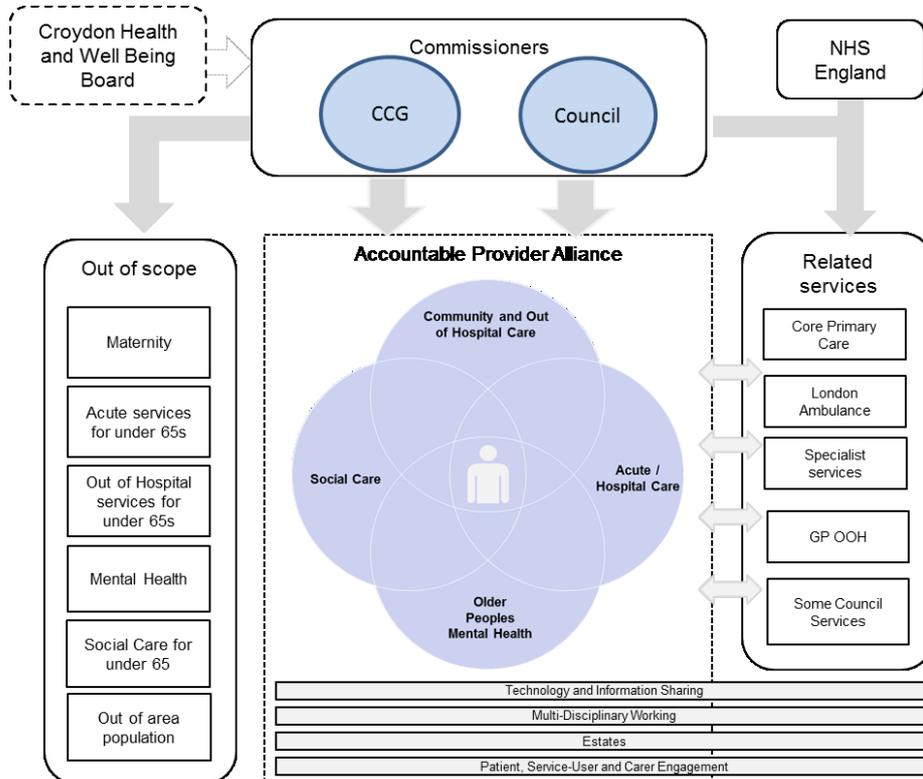
The Commissioners wish to move to a capitated payment mechanism incentivised to improve outcomes for the population. This means that the APA will be given a fixed amount per capita to cover the costs of care for the population rather than being paid directly for activity. The outcomes framework supports the capitated payment approach as it will incentivise the APA to manage the quality and cost of provision – the APA will be able to decide where to invest in order to deliver these outcomes, incentivising early intervention and prevention and thereby keeping patients well and out of hospital.

**1. RECOMMENDATIONS**

1.1 The Health and Wellbeing Board is asked to note the contents of the report.

## 2. EXECUTIVE SUMMARY

The vision of the Croydon Outcomes Based Commissioning (OBC) Programme is for all partners (statutory, voluntary and community) to come together to provide high quality, safe, seamless care to the older people (age 65 and older) of Croydon that supports them to stay well and independent. Users will have a co-ordinated, personalised experience that meets their needs.



Croydon OBC aims to utilise an Accountable Provider Alliance (APA) model, responsible for delivering health and social care services over the 10 year contract term, planned to start April 2016. The APA is made up of the following organisations:

- Age UK
- Croydon Council Adult Social Care
- Croydon GPs Group (this is all the GP practices in the borough)
- Croydon Health Services NHS Trust
- South London & Maudsley NHS Foundation Trust

The APA will move to an Accountable Care Organisation model through a Joint Venture over time. A capitated budget for over 65 population (£206M in year one) - will incentivise APA to invest proactively in maintaining and managing the health of the population.

In-scope services include:

- Acute / Hospital Care
- Community and Out of Hospital Care
- Older Peoples Mental Health
- Adult Social Care

### 3. DETAIL

#### 3.1 Why Croydon?

- Croydon is a coterminous local health and social care economy, with one CCG, one local authority and one main acute integrated hospital provider.
- Croydon has a long history of joint-working between health and social care.
- Croydon CCG and the Acute Trust face significant financial deficits, £11.9M and £25.5M respectively.
- Croydon Council is also under pressure to deliver considerable financial challenges.

#### 3.2 The Need for Change

- Croydon has both a growing and ageing population.
- Increasing numbers of patients are living with long-term conditions.
- There is potential for Croydon to improve its performance in terms of care for patients over 65: this includes addressing a higher rate of admissions, emergency admissions, and emergency readmissions to hospital.
- People over 65 are higher users of health (£177M) and social care services (£29M) and account for £206M of spends per annum.

#### 3.3 Outcomes

Outcomes Based Commissioning focuses on measuring and rewarding outcomes (end results) rather than inputs and it is seen as a core component for enabling our vision for Croydon. Measuring outcomes and aligning incentives will enable the Commissioners to monitor performance across the whole health and care economy and, when combined with appropriate contractual and payment mechanisms, will allow providers to work together to deliver whole person integrated care and achieve a common set of goals.

Outcomes have been defined by patients/service users, health and care practitioners and the public through engagement, and reflect what they need and want from their health and care services. Through public engagement an outcome framework that represents outcomes that matter to the people of Croydon has been developed. Town hall events and working groups were central to the co-design where over 400 individuals provided input and their views and opinions were gathered.

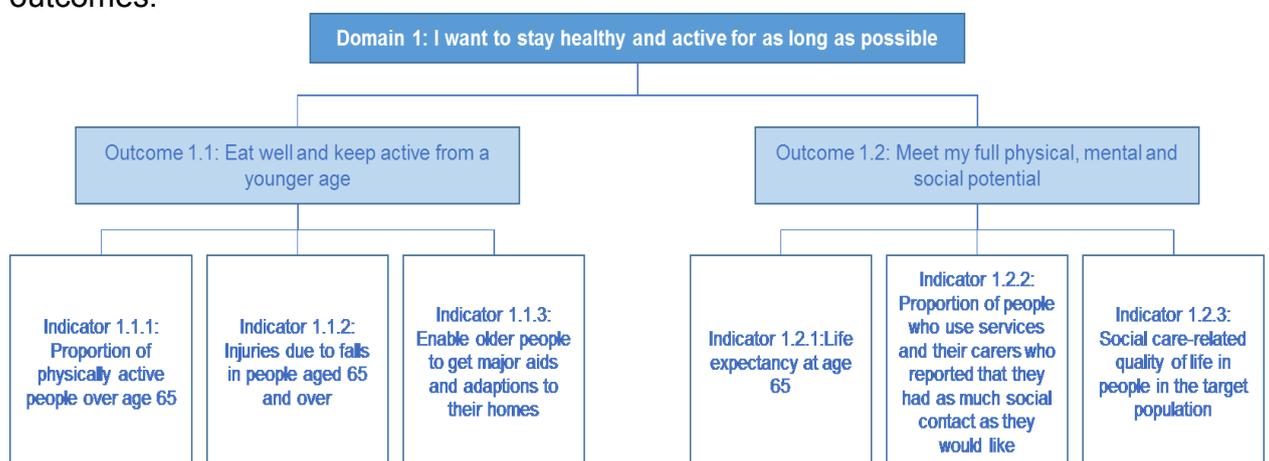
The proposed Outcomes Framework has a number of elements:

- **High Level Outcome Domains:** Five high-level domains reflecting the patient and public generated 'I' Statements, which set out at a high level the overarching desired outcome. The five domains are set out in the table below:



- **Outcome Goals:** Each outcome domain is supported by a number of outcomes goals. These statements give further definition to the high level outcomes.
- **Outcome Indicators:** A balanced set of indicators that clearly demonstrate achievement or otherwise of the desired outcomes.
- **Incentivised Indicators:** A smaller number of indicators that should enable a shift in performance across the system. A percentage of the Expected Annual Contract Value will be linked to the achievement of these.

As an illustrative example, the figure below presents one domain, the outcomes for this domain and the indicators that will demonstrate the delivery of the outcomes.



### 3.4 Summary of Potential Benefits

Croydon OBC wants to look at doing things differently in Croydon to meet the CCG and Council’s challenges and create services that:

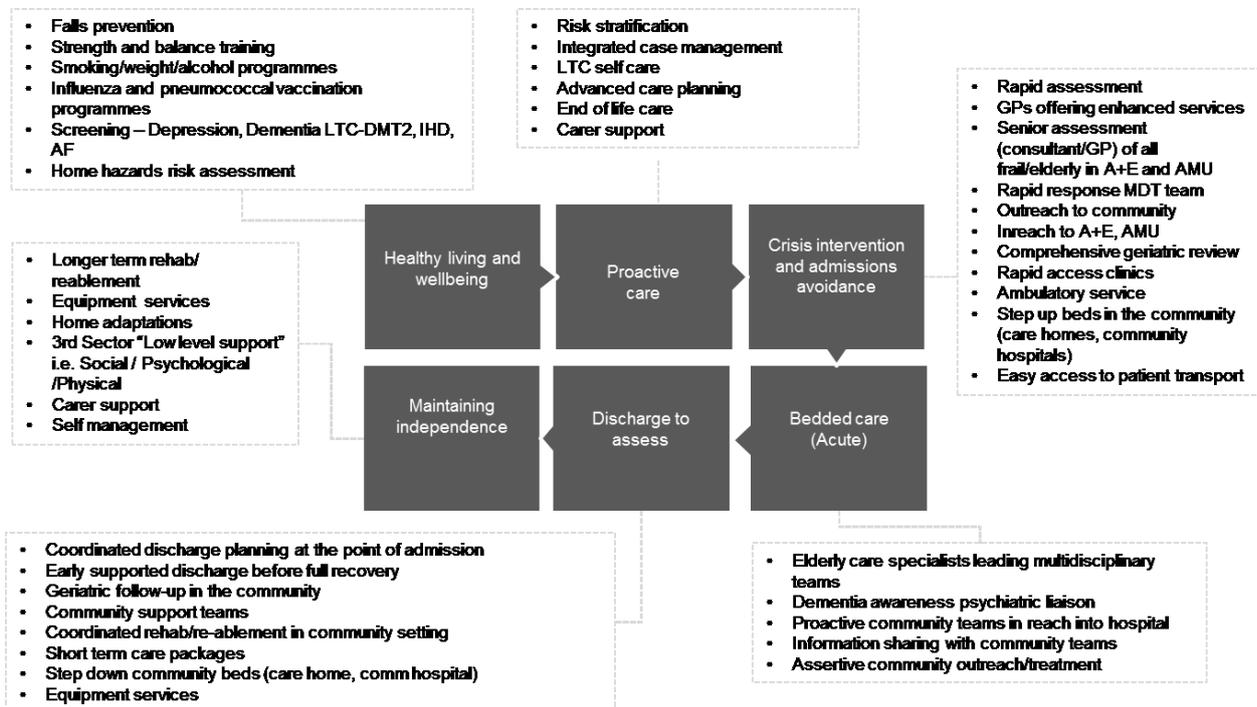
- Are more joined up and allow people to live more independently, stay at home for longer and are better suited to the needs of the people that use them.
- Incentivise proactive health and wellness management across the population; improve outcomes and user/patient experience.

- Are not activity driven – as not all activity is necessary or effective.
- Put the users/patients at the centre of their care, supported to manage their lives/conditions and actively involved in decisions about their care.
- Use health and social care resources more effectively.

The potential financial benefits include an estimate of up to 29% saving on current 65+ service expenditure over the 10 years and an improved likelihood of delivering existing transformational plans and initiatives. Potential opportunities of Croydon OBC include:

- More co-ordinated and integrated care: by removing the barriers to working in collaboration to provide a coordinated service across organisational boundaries and care settings.
- Opportunities to deliver care in lower cost settings: Providing services across pathways can enable organisations to change the setting of care and reward preventative activities more effectively. For example, Elective care (increase in day case and outpatient appointments out of hospital), Ambulatory care (increase in day cases) and, Urgent Care (A&E minors to more appropriate settings).
- Promote patient empowerment and self-care: Patients are able to manage their own care in the community and their own homes.

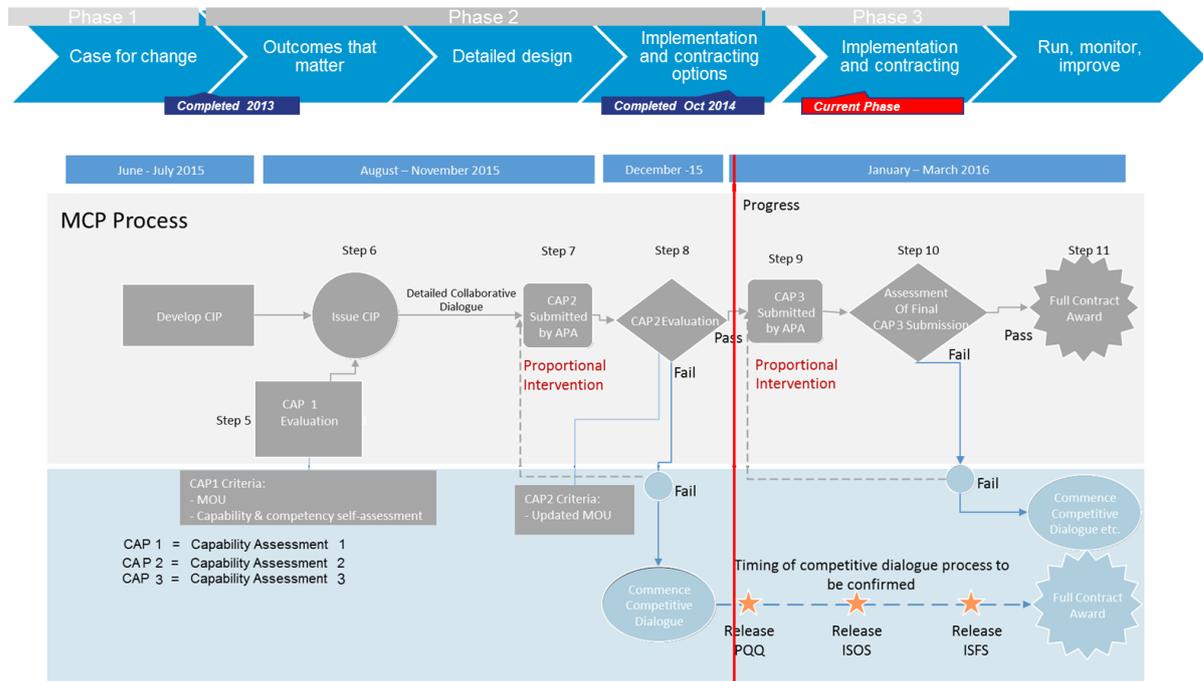
### 3.5 Schemes Implemented to Support OBC



### 3.6 Programme progress

The OBC programme is now approaching the final stage with the red line below demonstrating the progress. As part of the Most Capable Provider (MCP) process being followed by Commissioners, the next activity is the Capability Assessment 3 (CAP3) where the APA will be evaluated against criteria set out by the Commissioners to ensure the APA is suitably capable to award a

contract to. A positive outcome will lead to final contract negotiations and contract award by 31<sup>st</sup> March 2016.



#### 4. CONSULTATION

Both Croydon Council and Croydon CCG are committed to ensuring that there is regular communication and engagement with our population, the wider health and social care community and our local stakeholders to maintain public trust and confidence in services for which we are responsible.

OBC draws on a range of existing services and work programmes, and receives inputs from consultation and engagement from those services/programmes. Service user and patient participation groups at GP network level and wider public forums, and service user feedback from Friends and Family Test surveys carried out by primary care, community, hospital and mental health services, will help to ensure we continually capture views and suggestions about services and service development. Examples of public engagement during 2015/16 on OBC include:

- Have held a public discussion and feedback event in Fairfield Halls 24th June with 50 people attending
- Attended and gained feedback from the CCG's PPI Reference Group 25th June
- Attended and distributed leaflets at Croydon's Ambition Festival 25th July
- Met with community leaders/ groups including PPG Groups, Cultural Groups, Carer Groups, Lunch Clubs and Community Panels, Day Centres, and the general public
- Public event, held on 19th October at Fairfield Halls
- OBC survey designed and online (both websites): closed 16th October (56 responses as at 12th October)
- [https://www.surveymonkey.com/r/Croydon\\_Survey](https://www.surveymonkey.com/r/Croydon_Survey)

- Continuing to update web pages to show what engagement has taken place and how it's informed the development of the future model:
- <http://www.croydonccg.nhs.uk/get-involved/Pages/Outcomes-based-commissioning.aspx>
- <https://www.croydon.gov.uk/healthsocial/adult-care/outcome-based-commissioning>
- Creation of the OBC Service User Engagement Specialist group that will inform the OBC Programme Board.

## 5. SERVICE INTEGRATION

For the first year of Croydon OBC, the APA are proposing 5 initiatives for new model of care development and service integration:

- 1) **Create a multidisciplinary community hub** - in each of the 6 GP networks.  
 Delivery: Strengthening MDT working with GPs to include links with voluntary groups and third sector organisations so they provide a responsive, flexible and timely service  
 Results: Ensures people go straight to the right place
  
- 2) **Develop 'My Plan'**  
 Delivery: Helping individuals take positive steps  
 Results: Maximises an individual's health and wellbeing
  
- 3) **Establishment of Independence co-ordinators**  
 Delivery: Offering a continual supportive presence, ensuring services and support are delivered in a personalised, co-ordinated, relevant and timely way  
 Results: Every person has someone to speak to
  
- 4) **Single point of access and information to voluntary sector and health and council (link to Gateway)**  
 Delivery: Bringing existing resources together with a single access point for information and advice and a call centre drawing on a shared directory of services  
 Results: Ensures people go straight to the right place
  
- 5) **Integrated independent living team**  
 Delivery: Providing integrated step-up and step-down reablement and rehabilitation to reduce the need for hospital admissions and care home placements, and help people return home from hospital safely  
 Results: Ensures people are supported to regain their independence

## 6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

### 6.1 Revenue and Capital consequences of report recommendations

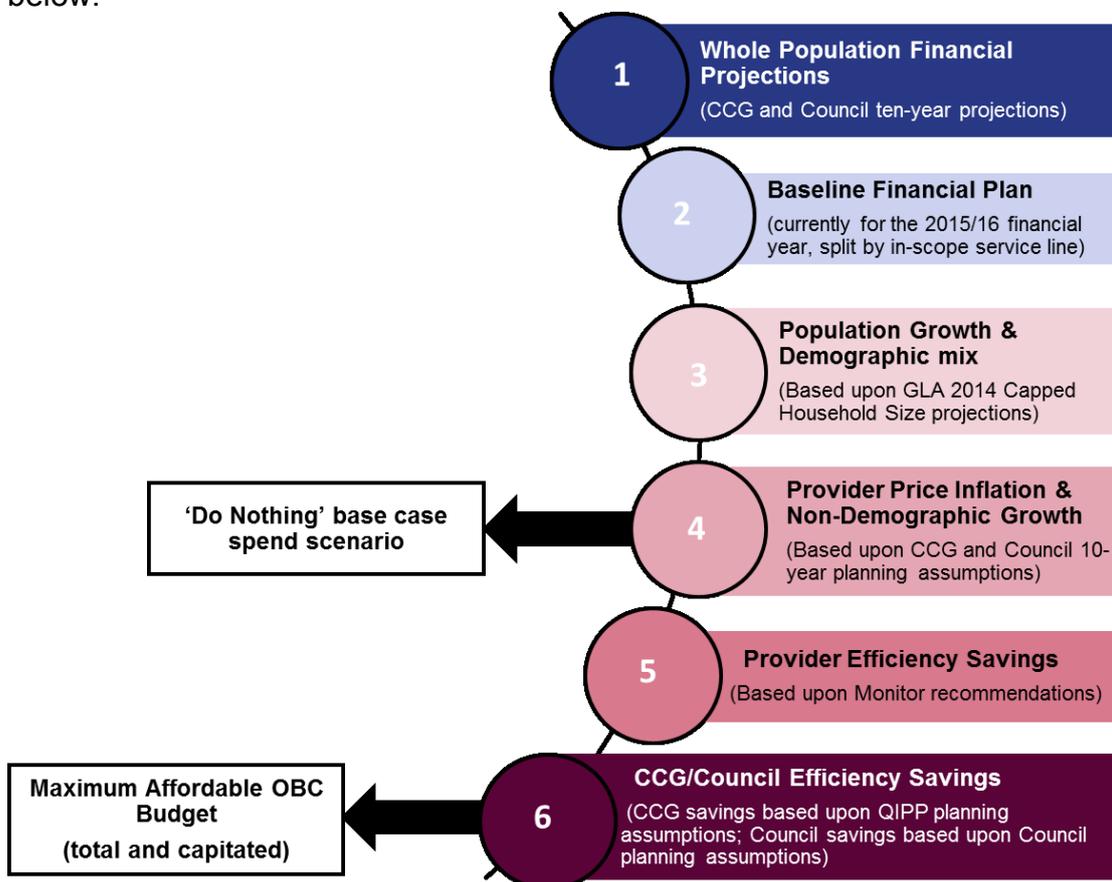
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population rather than being paid directly for activity. The outcomes framework supports the capitated payment approach as it will incentivise the APA to manage the quality and cost of provision – the APA will be able to decide where to invest in order to deliver these outcomes, incentivising early intervention and prevention and thereby keeping patients well and out of hospital. The incentivisation of outcomes is expected to cascade through the care system to align and focus care teams such that each care pathway/intervention maximises outcomes for the population.

For the health and social care services over the ten-year OBC contract period, this section describes the approach to the development of:

- (i) a 'Do-Nothing' projection of care costs for older people in Croydon; and
- (ii) a Maximum Affordable OBC Budget for the care of older people in Croydon

Key aspects of the methodology and assumptions underpinning the 'Do Nothing' projection and Maximum Affordable OBC Budget are outlined on the below.



The Maximum Affordable OBC budget represents the maximum budget available to the APA for the OBC contract each year. Comparing this to the projected 'Do Nothing' base case spend scenario provides the system-wide financial challenge that needs to be addressed through savings.

## 6.2 The effect of the decision

The decision to award the contract for OBC to the APA will deliver the quality improvements as set out in the vision, within a sustainable health and social care economy for Croydon.

### 6.3 Risks

There are a number of programme risks being managed by the OBC Programme Management Office to mitigate the risk. These are monitored monthly by the OBC Programme Board with membership from the CCG and Council to assure both parties that effective programme management is in place and that risks are suitably mitigated.

### 6.4 Options

Not applicable.

### 6.5 Health Efficiency Saving Assumptions

The health Quality, Innovation, Productivity and Prevention (QIPP) scheme is a national, regional and local level programme designed to improve the quality of care they deliver to patients, while also making efficiency savings. It is designed to ensure that each pound spent is used to bring maximum benefit and quality of care to patients.

The QIPP financials can be flexible in order to balance the total application of funds with the total source of funds and total surplus. There are no specific targets from NHS England for QIPP plans at this stage. The QIPP savings represent savings that the Commissioner will be expected to make. The QIPP savings assumed by the CCG have been derived from the CCG 10-year planning model by using service utilisation percentages to apportion QIPP opportunities between to the over 65 population. These have been presented as cumulative savings and are as follows:

### 6.6 Social Care Efficiency Saving Assumptions

The Council also has efficiency savings they expect to make. Savings of 1.71% and 1.89% in the first two years are modelled to counteract the impact of population growth in the resident population.

Subsequent savings are modelled at 5.0% per annum as demonstrated in the first table below. The cumulative savings over the OBC contract are inclusive of discrete savings of £0.5m and £0.8m in 2016/17 and 2017/18 respectively.

Approved by: Lisa Taylor on behalf of Head of Departmental Finance, Croydon Council

Approved by: Mike Sexton on behalf of Director of Finance, Croydon Clinical Commissioning Group

## 7. LEGAL CONSIDERATIONS

7.1 Both CCG and Council Commissioners are being supported by legal advisors from Wragge on all commercial aspects of dialogue and commercial negotiations with the APA.

7.2 Wragge are also supporting CCG Commissioners in their negotiations with the Council Commissioners in developing the Commissioner Joint Memorandum of Understanding (MOU). Here the Council are being supported by legal advisors from Trowers.

## **8. EQUALITIES IMPACT**

In progress for both CCG and Council

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**BACKGROUND DOCUMENTS** See attached slides