

ITEM: 10/086
Doc: 09

Meeting: Trust Board
Date: 28th July 2010

Title: Policy Development

Executive Summary: Operating Framework Revision

On 21 June 2010 the coalition Government issued a revision to the 2010/11 Operating Framework for the NHS in England to reflect the changing political landscape.

The policy changes centre on five areas:

- 2.1 Revision to Vital Signs and Existing Commitments
- 2.2 New rules on configuration
- 2.3 Future direction and next steps on transforming community services
- 2.4 Finance and efficiencies
- 2.5 Accelerating development of the payment system

The majority of changes are introduced with immediate effect; the remainder are during this financial year. The purpose of this paper is to provide the Board with a high level review of those changes.

White Paper – ‘Liberating the NHS’ : Implications for the Trust

The NHS confederation’s Briefing for Members on the new White Paper, *Equity and Excellence: Liberating the NHS* is attached.

Key issues for this Trust to consider include the following:

- All NHS Trusts will become or be part of a Foundation Trust by 2013
- GP Commissioning consortia will be responsible for commissioning the majority of NHS services for 2013/14.
- Community services will be separate from Commissioning PCTs by April 2011.
- Community services will operate under an ‘Any willing provider’ regime. This creates a potentially highly competitive market for the providers of community services.
- Patient Choice will be extended to include choice of consultant-led team.
- Outcome measures and quality standards will replace ‘process targets’ in holding providers to account.

Action: For information

Report from: Rob Larkman, Chief Executive

1. Introduction

On 21 June 2010 the coalition Government issued a revision to the 2010/11 Operating Framework for the NHS in England to reflect the changing political landscape. The majority of changes are introduced with immediate effect, the remainder are during this financial year. The purpose of this paper is to provide the Hospital Management Board with a high level review of those changes.

2. Summary of Key Change Areas

The policy changes centre on five areas:

- 2.4 Revision to Vital Signs and Existing Commitments
- 2.5 New rules on configuration
- 2.6 Future direction and next steps on transforming community services
- 2.7 Finance and efficiencies
- 2.8 Accelerating development of the payment system

2.1 **Revision to Vital Signs and Existing Commitments**

The clinical relevance of all existing commitments are to be reviewed, with the intention to remove those with little or no clinical relevance.

18 week wait commitment will remain but will begin to focus on the median wait. Central reporting of performance will cease with immediate effect, although referral to treatment times will continue to be monitored and published. Commissioners and GPs will be given greater flexibility to ensure access reflects local clinical priorities.

Further consideration is being given to future amendments to this target which will involve consultation.

ED 4 hour target remains but is reduced, on clinical advice, to 95%, with median times to be performance managed.

Work is being accelerated to identify more clinically relevant indicators for emergency care to be introduced in pilot form during the year.

Mixed sex accommodation is to be eliminated with additional sanctions being imposed for services not meeting the standard.

2.2 **New Rules on Configuration**

A moratorium is in place for future and ongoing reconfiguration proposals. Current and future proposals must meet four new tests prior to proceeding:

- ✓ Support from GP Commissioners
- ✓ Strengthened public and patient engagement
- ✓ Clarity on the clinical evidence base
- ✓ Consistency with current and prospective patient choice

2.3 **Future Direction and Next Steps on Transforming Community Services**

Separating PCT Commissioning from Community Services remains a priority and must be achieved by April 2011.

Community provider Trusts remain an option and proposals are being developed for a phased move towards 'any willing provider' model for community services, encouraging greater participation by the independent and voluntary sector.

2.4 Finance and Efficiencies

There remains a £15-20 billion efficiency challenge up to 2014. PCTs and SHAs will need to save in excess of £222 million in 2010/11 and a further £350 million in 2011/12. The overall ceiling for management costs will be set at two-thirds of the 2008/9 level, and will focus initially on SHA and PCT management costs.

2.5 Acceleration the development of the payment system

A payment system that rewards excellent performance and is tough on poor performance is under development. Payments for performance will must be structured around outcomes and be capable of aggregation along patient pathways, benchmarked for quality and cost and incentivised for quality.

To support the development of pathway tariffs a number of commissioning packs are in production starting with cardiac rehab. For 2011/12 there are plans to change the tariff to cover re-enablement and post discharge support including social care. This will provide opportunities for acute providers to work with GPs and local authorities and require the full engagement of the wider health economy before discharging patients.

Readmissions - There is an intention to ensure that hospitals are responsible for patients for the 30 days after discharge. If a patient is readmitted within that time, the hospital will not receive any further payment for the additional treatment.

3. In Summary

The revision to the NHS Operating Framework 2010/11 makes significant changes in year and signals substantial changes in future years as to how the NHS will function as it develops to drive up standards, support professional accountability, deliver better value for money and create a healthier nation. Many of these changes will present both opportunities and challenges for the Whittington. We will need to be proactive and work efficiently and smartly to ensure we can respond positively to the changes.