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Commissioning, providers and 'managing the market': applying NHS reform policy in East Lancashire

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Breaching rhetoric / reality gap: Applying NHS reform policy in 'managing the market'

Policy

The Government's vision for health service delivery is unequivocally one of more diverse service provision. Recent DH policy and guidance encourages alternative service providers to come forward to meet needs in different ways (refs). The steer towards contestability in service provision is matched by an emphasis on strong, intelligent and informed commissioning by PCTs.

CSIPs work with commissioners and NHS, private and voluntary sector providers told us we have a way to go to realise the government's vision of a 'managed market' with plurality. A huge gap exists between NHS reform theory/policy and its successful application. Huge swathes of NHS-commissioned services are still delivered by the NHS, but where more active markets exist commissioners often struggle to 'manage' those markets so they effectively meet local need. Commissioners and non-NHS service providers in the North West of England told CSIP they would value practical support in applying guidance and their services in line with government policy. This pilot was designed with this in mind and was undertaken in an area with significant complexities (Table 1). In the process we learnt a great deal about the challenges and opportunities inherent NHS policy reform for commissioners and for service providers of all persuasions.

The area

- East Lancashire is one of the most deprived areas in the country
- Significant associated health inequalities (Spearhead PCT status)
- Large concentration of diverse minority groups
- Poor (private sector) housing

Resources

- PCT budget of £500M with @ 10% spent on mental health
- Lancashire County Council also spends £1.2M
- Diverse mix of mental health nursing / care homes and supported accommodation
- Mainly private and voluntary sector provision

Key issues

- Growth previously led by providers perceptions of need
- Importing people to fill vacant beds
- Mixed views of quality
- No history of collaborative working between providers
- Placements poorly managed
- People placed in services with limited follow up or monitoring

Table 1: Why East Lancashire?**Establishing and managing the ‘whole system’**

The potential benefits of applying a whole system approach to services in East Lancashire were enormous. In order to achieve the changes necessary based on the needs of the area a sensitive approach was required to get providers on board for the project whilst also getting across the message that service quality and active participation in the system were necessary if they wanted to develop a long term working relationship. Business was seen as under threat, but those with quality services relished the chance to show this to commissioners.

Fact finding

The project ran for seven months and employed a range of methodologies to obtain a full picture of the needs of people placed in the services, quality of

provision and links with CPA care coordinators. Firstly, user need was identified through triangulating the views of providers, care coordinators and independent reviews undertaken by two clinicians from Lancashire Care NHS Trust seconded to the project. Throughout the process providers participated in designing the methods used, provided views on user needs and also the quality of their own services.

The second element of the project assessed quality within the services. A designed for purpose QA tool covering 60 assessment areas was devised, based upon the standards used by various regulators. Providers helped develop the tool and completed self assessments in advance of visits by CSIP reviewers who completed the QA assessment at the end of the visit. Views of reviewers and providers were compared and a shared understanding of the rating was agreed. Where differences could not be overcome both views were presented to commissioners. The definition of “quality” within services was previously variable, however bringing providers and commissioners together in designing the QA tool helped develop a shared understanding based on user wishes, aspirations and promoting choice. Subsequent to reviews services were quickly able to produce a service development plan based on those areas where their scores were weak. These plans are being used as the basis for service development and contract monitoring meetings between providers and commissioners the process of managing the market is implemented.

The various data was presented to providers, CPA care coordinators and CMHT managers from local services. This allowed them to query findings, problem solve solutions to issues and directly input into the report drafted by CSIP to manage the market. The service commissioners are now using this as the basis of their strategic plan to implement the necessary change and to coordinate the whole system approach.

Key milestones

Identify users (through case managers and provider invoices)
Identify providers
Facilitate providers to meet and share on the project objectives
Jointly design the processes
Undertake data collection
Share findings and facilitate solutions
Implement solutions strategically with commissioners leading the process

Key learning

- The process is slow and requires dedicated time and tenacity.
- It needs to be commissioner led with dedicated resource, particularly when implementing the strategy.
- A range of contracting models are needed and link to quality of service provision and commissioner need.
- Strategic oversight of providers is not the role of case managers and needs systems in place managed by commissioners to achieve successfully.
- Regular time spent together by providers and commissioners can build an effective working relationship and works best if based on shared tasks.
- Commissioners and regulators can be distant and need mechanisms for sharing concerns about providers with each other.
- The user voice within private sector services is not well established and needs proactive development led by commissioners.
- Without effective advocacy people using services are denied the opportunity to participate in developing quality services. Services that proactively listen to their users stand a better chance of continually improving.

- Advocacy services require clear commissioning to be proactively involved in independent sector services.
- Commissioning for outcomes should follow the process of market management. This can be time consuming in contrast to commissioning for activity and volume but is a more effective use of resources for both users and commissioners.

Key outcomes

- All placements are known to commissioners
- Clear reporting mechanisms have been established between providers, CPA care coordinators and commissioners
- Contracts are being reviewed and revised
- Contract monitoring meetings have been established which also examine service development
- A provider Forum has been established which is working on care pathways, quality initiatives and shared staff training and development – this is commissioner led and driven
- Everyone knows where they stand
- Users are getting a better service

Conclusion

Commissioners and service providers from the public, private and voluntary sectors require support to work together systemically if increased plurality in service provision is to result in substantively better services and more choice for those using the services we commission. There is little point in stimulating competition for the sake of it – commissioners must be supported to manage

increased market forces with a constant view of the needs of the population they serve. They need a clear understanding of how each provider is different and adds value to their local market. Collaboration in 'contested' systems stands a better chance of delivering improved health outcomes than competition for the sake of it. Commissioners and providers must collaborate to design improved services that deliver better outcomes for the people using those services.