INITIAL COMMENTARY ON TERMS OF REFERENCE FOR REVIEW OF SPECIALISED COMMISSIONING

The SHCA welcomes the government's decision to set up a review of specialised commissioning. This provides an important opportunity to strengthen the planning, funding and delivery of services covered by the National Definition Set. The Alliance's initial thoughts on the terms of reference for the review are set out below.

1. to review the current arrangements in the NHS for Specialised Commissioning Groups and Local Specialised Commissioning Groups, as set up following DH guidance in 2002, and the national commissioning under NSCAG and to identify strengths, weaknesses and existing good practice.

The present arrangements for specialised commissioning in England hinge on voluntary collaboration between PCTs overseen by Strategic Health Authorities.

The SHCA's research published in the spring of 2004 suggested that collaboration was for the most part patchy and that large swathes of the National Definition Set had not been addressed. Furthermore, there was little sign of monitoring and performance management by Strategic Health Authorities.

More specifically, while the research showed tentative signs of an increased focus on the quality of services, the use of risk sharing arrangements appeared to vary across the country, while the lack of contractual relationships with providers meant that collaborative groups commonly lacked the patient data required for effective commissioning.

From a patient perspective, the research indicated that arrangements for specialised commissioning were opaque with a need for more information and better engagement.

A persistent concern of the SHCA has been that money intended for specific specialised services would be diverted to more pressing priorities at PCT level. Studies by individual members have borne this out.

2. To assess the potential impact of NHS system reform on specialised services and treatments.

The tension between the distinctive needs of localism and specialised commissioning which precipitated the creation of the Alliance in January 2003 may be alleviated to some extent by the prospective consolidation of PCTs and SHAs but could be overshadowed by other key components in system reform.

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Commissioning – the last six months have seen welcome recognition for the importance of commissioning in delivering successful reform alongside a greater plurality of provision. This will, however, only prove successful given an integrated approach from practice-based to the most specialised end of the spectrum. In particular, the knock-on effects of practice-based commissioning deserve careful consideration. For example, demand could grow unpredictably and potentially destabilise the finances of PCTs. This could have consequences for other activities, including specialised services.

Payment by Results – the SHCA is not opposed to PBR but there are real concerns that tariffs will be inadequate to cover the costs associated with specialised services and treatments, undermining provision. At the same time, funds for services and treatments outside PBR must be protected from any overrun in expenditure within the scheme, as anticipated by the Audit Commission. Where tariffs for specialised services exist, it will be important to ensure rapid incorporation of NICE guidance with the active involvement of commissioners. Where no tariff exists, specialised commissioners will need to make separate provision. The need for providers to see service users as sources of income rather than expense is as relevant in specialised as other areas of commissioning.

Regulation – the trend in policy-making towards localism will be reinforced as more trusts attain foundation status and cease to be answerable to Ministers. Local accountability may, however, present problems for specialised services covering large planning populations or where foundation trusts seek to introduce services in other parts of the country to the potential detriment of established networks. Greater clarity of regulation is required, which may encompass the concept of contestable and protected/regulated services.

3. To make proposals for improvement in specialised services and treatments commissioning, which fit with work on Implementing a Patient-Led NHS, including what should be commissioned nationally.

Budgets

The intense focus on commissioning as a means of driving system reform brings with it welcome recognition that budgets and responsibilities should reside at the most appropriate level for the activities concerned. The creation of indicative budgets alongside commissioning responsibilities at practice-level has attracted considerable attention but may be balanced by a shift of contracting and procurement responsibilities upstream from PCTs to regional hubs.

Against that background, the SHCA would see merit in considering the introduction of budgets for collaborative commissioning groups. International comparisons are understood to show that long term contractual relationships between commissioner and provider are key to delivery of effective care services. This should be easier to establish between a relatively small number of contracting parties, especially in the field of specialised services.

As well as strengthening the ability of collaborative groups to commission specialised services effectively, the creation of budgets would provide stability in keeping with paragraph 15 of the Planning Framework 2005/06-2007/8 at a time when PCTs and SHAs may struggle to fulfil the responsibilities originally assigned to them. Furthermore, separate budgets would be protected from the risk of financial instability in other parts of the system during a period of anticipated turbulence.

Contestability

The planning populations involved in specialised commissioning suggest that untrammelled contestability of provision could have damaging consequences which local overview and scrutiny committees might struggle to address.

The development of more robust, properly resourced collaborative commissioning groups would itself do much to ensure that specialised providers met the highest standards and that capacity and demand were aligned.

The operation of collaborative commissioning groups would, however, need to be conducted on a much more transparent basis in order to secure the confidence of service users. In addition, a degree of regulatory oversight might be desirable for some services.

High cost treatments

A significant proportion of new treatments are initially licensed for specialised use and this proportion may grow as genotyping becomes more important. Where prospective costs are high, NICE is likely to take an interest in such developments. While improved speed of appraisal has rightly attracted attention, arrangements also need to be in place to ensure that relevant tariffs attract guidance rapidly and/or that commissioning groups are enabled to facilitate its implementation with the minimum of delay.

Pass through payments, as currently constituted, seem poorly equipped to deliver equitable access to treatments pending incorporation in tariffs.

National commissioning

The clamour for services to be commissioned at national level should be reduced if collaborative arrangements at regional and supra-regional level command greater confidence. At the same time, there should be clearer criteria established governing what type of services should fall to NSCAG.

National Definition Set

The National Definition Set should be subject to an ongoing process of review. Greater consistency of structure and detail between the different specialisms would seem desirable and enable the Definition Set to be used as a commissioning tool. This might be expedited through the development of a

departmental template. Where possible, the task of revising individual chapters and keeping them up to date could then be contracted out to relevant patient organisations in consultation with clinicians and commissioners.

Transparency

In every part of the country, information should be readily available about where responsibility lies for commissioning specialised services covered by the National Definition Set. Where concerns arise about a service which cannot be resolved with the responsible commissioning group there may be merit in enabling referral to the next level up in the commissioning chain. As a general rule, service users need to be more involved in the commissioning process.

4. Ensure that proposals keep specialised services commissioning in step with wider NHS reforms and generate consistent arrangements across the country.

The SHCA imagines the Department will take steps to ensure that teams involved in contingent areas of policy-making are suitably involved in the task force's deliberations. The Audit Commission's current study should also provide a timely source of information on current arrangements.

As a general observation, the Alliance would consider extension of the Healthcare Commission's work to include assessment of all forms of commissioning an urgent priority. This should probably include explicit recognition of the role of commissioning in the National Standards.

Once the task force's work on specialised commissioning has been completed, the SHCA would strongly favour a national and/or regional event(s) to help disseminate best practice. This might be combined with the development of a toolkit for commissioners. The SHCA would welcome the opportunity to work with the Department and others in taking forward such initiatives.

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