HSJ opinion piece: Specialised services can blaze the trail for provider-led change
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Quietly, NHS England is introducing significant and far-reaching changes to the way specialised services are managed. At the culmination of a period of parliamentary scrutiny, senior leadership changes and previous abortive attempts to transform this area of commissioning, the first outlines of a way ahead have now been agreed by the NHS England board.

Given that specialised services account for roughly one in every seven pounds spent in the English health service, it would seem important for patients, the public, and the wider NHS to understand the changes which are now underway.

The immediate backdrop to the new strategic framework for specialised services was April's report from the National Audit Office which investigated performance in this area since April 2013. The report declined to assure NHS England's specialised commissioning performance for demonstrating value for money, highlighting financial, data and competency shortfalls across the board.

While noting the opportunity open to NHS England as sole direct commissioner of specialised services to drive changes in provision, the NAO flagged the absence of a clear future strategy as a key issue.

Alongside this study, a short-life commission convened by the former health minister Lord Warner brought together senior leaders from across the UK, including commissioners, providers, Royal Colleges and charities to develop consensus on what such a strategy should include.

The Warner Commission, supported by the Specialised Healthcare Alliance, envisaged a more flexible approach to specialised services, underpinned by the retention of national service specifications and budget vested in NHS England.

Within this framework, it was recommended that different specialised services should be managed at national, regional or more local level, and that providers should take on a greater leadership role for whole pathways of care.

The intention was to retain clear national accountability and funding for specialised services, while getting away from the present binary division between specialised and non-specialised commissioning.

NHS England has now set out its stall. In a paper discussed at its May board meeting, the new director of specialised commissioning, Jonathan Fielden, set out "a fundamentally new direction for specialised services over the next five years."

The paper sets out an intention to retain national service standards, while equipping local service leaders to adopt different service models in pursuit of them. NHS England also seeks to improve its data and information at national level and envisages a "plurality of provider models", including chains and networks, moving away from its previous vision of specialised care concentrated in just 15-30 centres.

So far, so good. The question is whether this strategy will deliver high quality, sustainable specialised care and address the shortcomings identified by the NAO.

As ever, the devil will be in the detail being elaborated over the coming months. At the outset, there are probably three key areas which will determine whether or not success can be achieved this time.

First, the interrelation between specialised commissioning and the Sustainability and Transformation Plan footprints being established across the country will be key. STPs are envisaged as a primary vehicle for driving service change.

While specialised services are intended to align with this, the 44 STP footprints do not naturally cohere with traditional specialised population planning levels; the size and composition of STPs is also highly variable in terms of their ability to play a leadership role in developing specialised services for their local populations.

Secondly, the strategic framework implies that NHS England will seek to review and rewrite some or all of its national service specifications to focus on outcomes rather

than prescribing processes. In doing so, the task will be to find the optimum balance between adopting specifications which fixate on service detail versus standards which are too generic to level-up service quality.

Changes in this area are liable to attract significant scrutiny, both from the providers affected by changes to contracts and patient groups keen to ensure equitable standards of care across England.

Finally, and inevitably, the third challenge will be whether and how the finances stack up. Having balanced the specialised commissioning budget in 2015-16 – notwithstanding provider-side deficits –NHS England anticipates that future specialised cost growth will outstrip available resource in future years.

We can therefore expect some or all of the following: new cross-system incentives for preventing costly ill health, decommissioning treatments providing limited value; controls on new cost pressures, possibly including more controversial 'rationing' of new treatments; new payment models aimed at re-shaping patterns of provision; and/or bold decisions on service reconfigurations.

With anything like this prospectus for the future, specialised services look set to remain in the limelight.