



Report for:	Health and Wellbeing Board - September 2014	Item Number:	
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Title:	Discussion Paper on Value Based Commissioning – Older People with Frailty
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Ward(s) affected: N/A	Report for Key/Non Key Decisions: N/A
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1. Describe the issue under consideration

- 1.1 This paper provides an update on progress in developing an outline business case for Value Based Commissioning (VBC).
- 1.2 VBC is an important part of delivering integrated care and the Better Care Fund programme (which are the subject of separate reports on this agenda). VBC for older people with frailty has been the subject of discussion between health and social care commissioners and with providers.
- 1.3 The London Borough of Haringey would be required to approve any commitment of local authority funding for value based commissioning. This paper comes to the Health and Wellbeing Board to promote discussion in advance of any such decision-making process.

2. Recommendations

- 2.1 It is recommended that the Health and Wellbeing Board:
 - (a) Consider and discuss the proposals set out in the discussion paper; and
 - (b) Provide feedback that will influence the development of the Outline Business Case.



3. Background information

- 3.1 Within healthcare, we traditionally commission by paying for episodes of care (such as individual appointments or hospital admissions) rather than paying for achievement of agreed outcomes. We also have block contracts for community health services. Within social care there are separate processes of carrying out assessments and putting into place individual packages of care or placements, funded either through personal budgets or direct payments.
- 3.2 The different approaches to how payment for care is organised can contribute towards client's experiences of health and social care being fragmented. Commissioners will not have an understanding of the whole package of health and social care meaning it may not be built around a patient's whole needs. In addition, individuals often need to navigate their own way through a complex web of services, commissioned and funded in different ways.
- 3.3 As commissioners of health and social care, it is difficult to understand the total cost of health and care for a particular person or for a particular cohort of the population. Patients and clients may be required to meet a certain threshold of need in order to trigger a service. This can mean that services are focused on treatment and a reactive response rather than prevention. Different services and organisations have different ways of measuring performance. Often these measures tell us about the number of people who have been reviewed, visited or admitted rather than telling us about the outcome of a service or intervention for the person and the impact it had on their health and wellbeing overall.
- 3.4 The value based commissioning programme (VBC) is an ambitious attempt to move towards contracting for an entire system or pathway of care with a strong focus around outcomes. It describes a move to commission for outcomes of care, as defined by the public, patients and professionals. Such outcomes could include:
- Being able to plan one's own care with joined up provision;
 - Feeling in control of the health and care someone is receiving; and
 - Feeling listened to and treated with respect by all.
- 3.5 Measuring 'value' means measuring the outcomes achieved by the total cost of care for a patient/client or population cohort. There are a number of different options for how such an approach could be introduced in Haringey and these are currently being explored.
- 3.6 Haringey CCG has been leading a project across both Haringey and Enfield, looking at how VBC can be implemented for the over 75s who are already frail or at risk of becoming frail. Considerable work has been carried out with members of the public and front-line staff to identify the outcomes that they prioritise and that are important to them. The CCG and Local Authority have also both submitted



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information so that we have the first stage of baseline costs for this cohort of our population, across health and social care.

- 3.7 Local Authority officers have participated and influenced the project as part of the Steering Group and the North Middlesex Hospital Transformation Board, both of which have had frequent updates on project progress.
- 3.8 The CCG is now approaching the stage of issuing Commissioning Intentions to acute and community health providers and of drafting an Outline Business Case (OBC) to explore the implications of moving towards this commissioning approach. The Governing Bodies of Enfield and Haringey CCGs will then be asked to make a decision about whether to move towards VBC from April 2015. This paper sets out the implications of moving towards VBC and explores the line of argument that will be developed within the Outline Business Case.
- 3.9 Whilst the Local Authority will continue to participate in discussions about VBC a decision about financial or other resource contributions is not being sought at this time.
- 3.10 This paper is provided as background and context ahead of decision-making. The Health and Wellbeing Board is asked to consider its perspective on value based commissioning so that comments or concerns can be reflected and addressed in the Outline Business Case.

4. Implications

- 4.1 The introduction of an approach based on value based commissioning to the health and care economy of Haringey raises a number of issues some of which are set out briefly below. These would need to be worked through in developing the Outline Business Case and in order to inform the production of a Full Business Case. There is commitment and opportunity to explore these issues further and to ensure the implications are well understood across the system as we move forward.
 - Unlike the CCG, the Council has a role as both commissioner and provider.
 - The Council and the CCG procure and contract differently and are subject to different rules currently.
 - Personalisation is a fundamental approach underpinning social care delivery and the impact on resident choice and personalised packages of care and support would need to be understood in the context of the options being appraised for value based commissioning.
 - The risks of market failure and how commissioners would respond have yet to be addressed.



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- The emphasis on partnership and consortium approaches across providers will require developmental work with the provider market.
- Ensuring benefits flow back into the whole system rather than remaining in one part of the system is necessary to ensure improved outcomes benefit all partners.

5. Comments of the Chief Finance Officer and financial implications

- 5.1 The proposal under discussion is for a proportion of the CCG current spend on care for people aged over 75yrs to be separated out from standard contracts and made contingent on outcome delivery.
- 5.2 In order for this proposal to be developed and approved, an Outline Business Case will be submitted to the CCG for approval and will then be developed into a Full Business Case in November 2014.
- 5.3 The Council may wish to participate as part of the network of providers without committing financial resource to value based commissioning. The Council may decide to take a proposal to Cabinet for a decision about the commitment of resource to Value Based Commissioning. The timescale for this would be defined by the Council.

6. Comments of the Assistant Director of Corporate Governance and legal implications

- 6.1 The Assistant Director of Corporate Governance has been consulted about this report. Although there are no legal implications arising from the report, the issue raised (i.e. VBC) is important in the context of the Board's strategic role in health and social care provision and integration.

7. Equalities and Community Cohesion Comments

- 7.1 An equalities and community cohesion report is being undertaken as part of the OBC.

8. Policy Implication

- 8.1 Close links to Integrated Care agenda for Local Authority and CCG. Value Based Commissioning aims to create incentives that will support the delivery of integrated, locality teams being pursued as part of the implementation of the Better Care Fund.

9. Use of Appendices

- 9.1 N/A

10. Local Government (Access to Information) Act 1985



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10.1 N/A.