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NHS Foundation Trust

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26 November 2013

Dr Stephen Richards
Chief Executive
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Dear Stephen

Outcome Based Commissioning

As two of the major providers of the relevant services, we are grateful for the opportunity to comment on the business cases to support the introduction of outcome based commissioning for older people, mental health and maternity services for Oxfordshire.

We recognise the scope and scale of the challenges facing the health and social care system within the county. To respond robustly and effectively to these challenges will require significant and radical changes to the way that services are currently delivered, not just in these three areas, but for the entire range of health and social care provision. The Clinical Commissioning Group has identified outcome based commissioning as a potential catalyst to drive forward these changes. Oxford Health NHS Foundation Trust and Oxford University Hospitals NHS Trust are fully committed to work collaboratively both with each other and with other health and social care partners to achieve the clinical and financial outcomes that the CCG has set. We would see this as part of an enhanced programme of joint working between our two organisations which we are progressing within the framework of a joint partnership agreement, which we are developing based on the integrated management of key services.

However, while supporting the overall aims of this initiative, we would wish to raise a number of joint concerns prior to your governing body's consideration of the business cases at its meeting on 28 November 2013. While we have both had the opportunity in recent weeks to discuss more detailed issues, there remain a number of important high level concerns that we would wish to highlight.

We are concerned that the clinical risks that could potentially arise from the approach advocated in the business cases have not been fully assessed and understood. At a time when the NHS is under ever increasing scrutiny, it is imperative that any alterations to the accountability framework within which services are delivered are advanced in a measured and robust manner. Any lack of clarity around accountabilities for clinical safety and quality or the introduction of unintended consequences will give rise to a significant increase in clinical risks.

Parallel concerns relate to financial risk. An explicit objective of the business cases is to achieve significant levels of cost savings and risk transfer to providers in the face of increased user expectation of improved outcomes. We are concerned that the business cases do not recognise the potential financial risks, both collectively and for individual organisations that need to be appropriately assessed and managed. We have a further concern that the manner in which the business cases have been developed, with the proposed outcomes being defined in a largely separate exercise, has potentially introduced inflationary pressures into the project. Clinicians, the public and others have been encouraged to come up with an ideal set of outcome indicators independent of the need to make the required level of savings. To deliver these indicators will potentially require increased investment. There is no detail on how these contracts will be constructed, how they will interface with the PbR framework (deviations from which require Monitor's explicit approval), what currencies are to be used through the supply chain and the contractual arrangements that will prevail in relation to the key services excluded from the scope.

We are, therefore, concerned that the overall complexities of what is being proposed is severely underplayed within the business cases. The business cases portray the exercise as replacing multiple contracts with just one single contract, failing to acknowledge the practical difficulties and complexities of having to put in place back to back contractual arrangements right the way through the supply chain. This will put a significant added overhead and burden on to providers. The evidence base for the proposed approach is limited. We have suggested that it would be more sensible to select a more discrete and easily defined area such as diabetes to pilot an outcome based commissioning approach rather than the complex and, therefore, more risky areas that have been identified.

The recent efforts of the local and health and social care system to address such issues as delayed transfers of care have shown all parties the importance of approaching such problems on a holistic basis. Attention must be paid to the full patient pathway and all parts of the system must be pushing in the same direction at each given stage on that pathway. For this reason, we are very concerned about the limited scope included within the business cases. The exclusion of primary care and a significant proportion of social care represent a major weakness in the approach set out in the business cases.

A further concern about the scope as defined in the business cases is that there is a lack of recognition of the inter-dependency between those services that would be deemed to be in scope and those that will be excluded. Services for those who are over 65 years old, for example, are not provided in isolation from those that are provided for younger age groups. This inter-dependency is not adequately addressed within the business cases. We, at the OUH, have also questioned the inclusion of maternity services in this exercise. These services are the subject of significant regulation. The level of staffing, the patient pathway and all other aspects of the services are closely set out in mandatory guidance. This, together with the fact that an integrated service is already largely in place, would seem to suggest that the benefits associated with an outcome based commissioning approach will be minimal.

With respect to mental health the business case takes no account of the service model which has been developed and agreed with the CCG, provider GPs, service users and carers, the voluntary sector and other partners and stakeholders and which we believe will provide the framework for an OBC approach. OH has concluded a formal consultation with its staff and is now in an implementation phase. We are also concerned about the viability of services which remain outside of scope and the potential impact on neighbouring counties given that mental health is delivered in a tiered model of service.

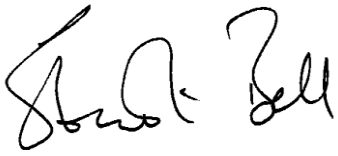
Given the scale of the issues outlined above that have not so far been addressed in sufficient detail, the planned timetable within the business cases to have new arrangements in place by 1 April 2014 is not, in our opinion, deliverable. In our separate discussions with your team, we have been given assurances that a more sensible and phased approach is to be adopted. However, this is not reflected in the business cases as they currently stand. The current business cases do not take any account of the system transformation work that is already underway, such as the development of EMUs and 7 day working in the community,

We understand the procurement issues, which the Clinical Commissioning Group faces. However, in practical terms the achievement of a local health and social care system that is both clinically and financially sustainable can only be secured, we believe, with the active and full engagement of our two Trusts. It is only in recent weeks that we have begun to be able to have meaningful discussions with the teams that are leading on this initiative for the Clinical Commissioning Group. We recognise that it is open to the Clinical Commissioning Group to pursue alternative procurement options. However, we strongly believe that this will only lead to increased fragmentation of the health and social care environment within Oxfordshire at a time when there is an urgent need for increased and effective integration. The potential impact on the healthcare workforce across the county of such a radical and untried approach is not considered. We would therefore urge that the CCG defers a decision to proceed at this time and adopts a more genuinely collaborative approach.

We would wish to conclude by restating our commitment to working to achieve the scale of change within the local health and social care system that is necessary to the challenges which we currently all face. We wish to be given the opportunity to demonstrate our commitment to take the lead, together, to design, in collaboration with the wider set of stakeholders, an integrated system that delivers improved patient outcomes within a clinically and financially sustainable framework.

We would be grateful if copies of this letter could be made available to all the members of your governing body to help inform their consideration of the business cases at their meeting on 28 November 2013.

Yours sincerely



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