**Item 15: REPORT**

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| **DATE** | 16th February 2016 |
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| **REPORT OF** | Stephen Pintus, Director of Public Health |
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| **REPORT TO** | NEL CCG Joint Co-Commissioning Committee |
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| **SUBJECT** | Transfer of primary-care-based, substance-misuse treatment services commissioning to the North East Lincolnshire Clinical Commissioning Group |
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| **CONTRIBUTION TO OUR AIMS**  The service will support the two main priorities of North East Lincolnshire (NEL) council, being :  i. Stronger Communities and Stronger Economy, by providing aspiration to a particular community of interest to regain social integration, personal achievement and a social base upon which employability is rebuilt. The focus of the service specification complements and reinforces the council’s aims: | |
| ii. Healthy and sustainable communities, healthy and independent lives, all adults children and young people are safe (protected from harm), families in NEL are strong healthy and provide good parenting to children. | |
| **EXECUTIVE SUMMARY**  The report sets out the progress made, following approval to widen the scope of the current Section 75 agreement with the NE Lincolnshire Clinical Commissioning Group (CCG), to allow the transferring of funds; and details the methodology to be applied regarding both finance and performance monitoring. The transfer is considered a positive change as primary-care-based, substance-misuse treatment services (PCBSMTS), are clinical services and the delivery model is supported by Public Health England. | |
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| **RECOMMENDATIONS**  The report seeks approval for:   1. The proposed joint payment methodology, from 1st April 2016, utilising Local Authority Public Health Grant Funding and CCG funds for the revised PCBSMTS, and 2. The proposed revised joint performance monitoring arrangements for the PCBSMTS from 1st April 2016. | |
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| **REASONS FOR DECISION**  The CCG is the area’s principle commissioner of clinical services. The council has less clinical services to deliver. The CCG already commissions a number of GP practices to provide alcohol treatment related services (£116,525 per annum); the CCG currently supporting the annual £60,775 prescribing costs incurred in the delivery of substance misuse services by the GP practices involved. The Local Authority Public Health Grant contribution to the joint PCBSMTS has been set at £125,000 per annum. This new joint arrangement provides the scope for closer working relationships with the CCG to ensure the limited budget available is put to the best possible use. | |

**1. BACKGROUND AND ISSUES**

Background

Legacy contracts which predate the transfer of public health activity to local authority control have been extended to expire on 31st March 2016. The local authority has realigned its public health budget to focus upon prevention and early intervention. Nevertheless certain services are still required to assist citizens, already affected by substance misuse, towards a path of abstinence, recovery and social inclusion. Secondary-care-based substance misuse treatment services, (SCBSMTS) were realigned in context of the strategic focus last year. The council is now reviewing its PCBSMTS. PCBSMTS interact heavily with SCBSMTS and the public health team determined that a review of needs and activities was timely.

NEL’s performance for substance misuse related outcomes, according to Public Health England’s (PHE) statistics, is not performing as well as it previously did and it is considered that a greater emphasis towards PCBSMTS will help to improve that performance.

The Forward Process

The approval has been given to enable the new delivery model through passporting £125K per annum to the CGG through expansion of the existing Section 75 agreement. The CCG will ensure contracting of the new PCBSMTS model through enhanced GP service provision contract to a lead provider; the contract and the relevant service specification are being finalised currently.

The council will then review performance with the CCG through the Co-commissioning Board on a regular basis, to ensure the PHOF outcomes and council aims are met.

Performance and Monitoring Arrangements

The new service specification for the PCBSMTS sets out the headline Key Performance Indicators aligned to the both Public Health and NHS Outcomes Frameworks. Current contract performance is reviewed by the Local Authority Public Health team on a Quarterly basis. Future meetings will be led by the CCG and supported by the Drug and Manager, Public Health, providing supporting data from the National Drug Treatment Monitoring System (NDTMS). NDTMS is capable of providing a relevant data for headline performance, trends and a wide range of subsidiary data informing commissioners as to the quality of service provision.

Current PCBSMTS contracts set an average monthly rolling year estimate of 275 clients in treatment – this would generate an annual value of £110K based on retainers payments and payments per patient per month In recent years, the Primary Care Service has fallen below the monthly average of 275 patients (rolling year-end), averaging approximately £100K per annum The new contract does not include annual retainers, however, the monthly payment value in slightly increased to provide £100K per annum for an average of 250 clients per month (rolling year) with a stretch target of an additional 25 patients; giving 275 average and potential for a further 10% payment, increasing annual return to £110K.

An additional amount is available on a Payment by Outcomes basis, providing first stage payment of £180 for each client successfully completing treatment substance free; with a second payment of £180 for each client sustaining exit and not returning to treatment within 6 months of discharge. The total maximum value of this element of the contract is £15K per annum.

Financial arrangements

The Public Health allocation of £125K will be transferred to the CCG under current PAV arrangements. It has been identified that performance outcomes will not align to financial years. It is feasible that profiling towards the financial year-end will reflect accumulated underspend for patient number per month; it is more likely that payment by outcomes will be underspent at the end of a financial year. Predicted underspend will revert to the Local Authority but be protected in reserve, to meet anticipated PCBSMTS outcomes in the following financial year.

The monthly numbers of throughput patients per month and positive outcomes will be evidenced by the Council Public Health Team from NDTMS. This information will be supplied to the lead provider and the CCG to enable monthly output payments by the CCG to the lead provider. In respect of the CCG contribution to PCBSMTS, this will support staffing and admin infrastructure within PCBSMTS and will also be paid in monthly instalments to the lead provider.

**2. RISKS AND OPPORTUNITIES**

The council has a limited budget. This contract, by its nature, has to be based on a per-service-user fee, without retainer. The performance model and values attached follow CQUIN commissioning methodology, rewarding quality and innovation’ through core provision, stretch target and further outcome bonus. . A capping mechanism has been introduced to ensure affordability and to ensure demand does not outstrip capacity.

Since 2003, North East Lincolnshire has benefitted from a growth in the number of General Practitioners qualified to have special Interest in Substance Misuse Treatment provision (GPwSI’s). This position is almost unique as most areas have very limited GPwSI provision. There is a significant benefit in GPs in local practices managing substance misuse treatment within the overall health care needs for their registered patients, ensuring holistic packages of care for individuals and their families. Having regard to the wealth of resource available locally, a strong case exists to preserve that resource.

An impact assessment is available for consideration. The new service is designed to be available across all wards, taking account of all religious groups, sensitive to gender and age requirements as well as the medical and emotional requirements at service-user level. Criteria for signposting clients and reviewing pathways for client groups have all been intrinsic to the process undertaken.

The majority of PCBSMTS have good performance outcomes and deliver good value for money; however for one area of service current drug-free exit rates are low. The contract specification has been reconfigured to focus upon sustainable recovery including social integration and links to opportunities to create social capital.

There are a number of stakeholders for this service. The council and CCG has done their utmost to ensure any organisation with an interest and the individuals accessing services have had an opportunity to shape the future service provision within the budget envelope available.

**3. OTHER OPTIONS CONSIDERED**

1. To continue previous contract payment methodology, being:

* A retainer payment per practice per annum
* A payment per patient in treatment per month

This model is outdated and does not incentivise providers and service to be ‘recovery’ driven.

1. To continue part of previous contract payment methodology, being:

* A payment per patient in treatment per month, but
* Removing the retainer payment per practice per annum

Similar to (i) above, this model is outdated and does not incentivise providers and service to be ‘recovery’ driven.

1. The payment methodology design replicates other more recently commissioned substance misuse treatment provision and the model is strongly supported by Public Health England, driving improvement in quality of provision and increasing successful treatment outcomes.

**4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

This is a vulnerable client group and changes in delivery model need to be managed carefully to ensure safeguarding is maintained. Pre-market consultation activity was undertaken with the CCG, a range of specialist providers in the market and the client group was conducted. This activity clearly evidenced that the specific wider health and well-being needs of this vulnerable service user group can best be served by those particular GP’s in the wards in which those practices are located. Moving away from local Primary Care based practice provision may have resulted in attrition from services and significant unmet needs within the vulnerable client group dispersed throughout our communities.

The unique value of the high concentration of suitably qualified GP’s in the borough together with the opportunity to achieve high quality outcomes in a holistic health setting will promote engagement and retention amongst a historically hard-to-engage community of interest.

**5. FINANCIAL CONSIDERATIONS**

The contracted service model outlined within the report supports the council’s key financial objective to focus upon prevention and early intervention to reduce the scale of need for long-term services. The proposal will be financed through the Public Health budget at £125K per annum, together with a CCG contribution of £116,525. On an ongoing basis the proposal will lead to a net nil impact on current expenditure, in an environment of significant reduction in abutting services for SCBSMTS. The methodology applied is consistent with the Council’s Health and Wellbeing strategy and will help to contribute to improved value for money within the service.

**6. CONTACT OFFICER**

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