

Equity & Excellence: Liberating the NHS Government White Paper **Briefing Paper**

Key Elements from the White Paper

1. The paper, signalling the single largest re-organisation of the NHS in its history, is centred on the following key principles
 - Putting patients and the public at the heart of the NHS
 - Improves quality and healthcare outcomes
 - Gives greater empowerment to health professionals whilst improving accountability and democratic legitimacy
 - Reduces bureaucracy and improves efficiency
2. Key proposals are summarised below. ***It is important to note that the proposals are consistent with the vision and direction of travel being followed in Herefordshire.*** They also place a clear emphasis on the enabling of joint working and integration between local authorities and the health system in planning commissioning and delivering services as well as holding the health and social care system to account locally.
3. The full document, and consultation documents as they are published, can be found at the following link: <http://www.dh.gov.uk/en/Healthcare/LiberatingtheNHS/index.htm>

Commissioning

- GP commissioning will operate on a statutory basis, with commissioners' powers and duties enshrined in legislation.
- All GP practices are to become part of a consortium. Consortia will need to have sufficient geographical focus to take responsibility for agreeing and monitoring contracts for locality based services such as urgent care, services for those people not currently registered with a GP and to commission services jointly with local authorities.
- Consortia will have responsibility for managing the combined commissioning budgets of their member practices to improve healthcare and health outcomes, and will be accountable to the NHS Commissioning Board for managing public funds.
- A comprehensive system of GP consortia in shadow form is expected to be in place by 2011/12. The consortia will then begin to assume commissioning responsibility in the following year before taking full responsibility from 2013/14.
- A newly created NHS Commissioning Board (NHSCB) will commission GPs and family health services (dentistry, pharmacy and primary ophthalmic services); specialised services and maternity services. In addition to responsibility for ensuring the development of GP consortia the NHSCB will:
 - set commissioning guidelines, based on clinically approved quality standards, in a way that promotes joint working across health public health and social care
 - promote and extend public & patient involvement & choice
 - be responsible for allocation and accounting for NHS reserves
- The NHSCB will be in shadow form from April 2011 as a special health authority before becoming a statutory body in April 2012.
- Both Monitor and the NHSCB will ensure that competing to provide services is a fair and transparent process.
- Commissioners will be free to buy services from any willing provider.

- Monitor will be able to allow transparent subsidies where these are “objectively justified and agreed by commissioners.”

Risk pooling

- The white paper stipulates that current risk pooling arrangements will migrate away from SHAs.
- Monitor will be able to authorise special funding arrangements to ensure that essential services can be maintained in circumstances where they would usually have become unviable. Providers may be asked for contributions towards a risk pool by Monitor.
- GP consortia will be required to take part in risk pooling arrangements, overseen by the NHSCB.

Future of providers

- All NHS trusts will be part of or become foundation trusts (FTs) by 2013, with the abolition of the NHS trust model
- New FT models with staff-only membership (social enterprise) are intended for community FTs, but not limited to them.
- The white paper contains a clear commitment that FTs “will not be privatised.”
- Consultation proposed on increasing FT freedoms including:
 - abolition of the cap on income that can be earned from other sources
 - enabling FTs to merge more easily
 - enabling FTs to tailor their governance to local needs.
- DoH will assume responsibility for provider development.
- Community services will operate under the Any Willing Provider ethos.
- Monitor takes over responsibility for regulating all NHS providers from April 2013, irrespective of status.
- Commissioning will be separate from provision by April 2011.
- Special arrangements will be made for three high secure psychiatric hospitals to benefit from FT status.

Regulation and inspection

- The white paper stipulates a stable, transparent and rules based system of regulation
- The Care Quality Commission (CQC) will have “a clearer focus on the essential levels of safety and quality of providers.” It will inspect providers with a “targeted and risk-based” approach in accordance with those levels.
- CQC and Monitor will deliver a joint licensing regime, to cover essential levels of safety and quality and ensure continuity of essential services.
- Monitor as economic regulator for both health and social care will:
 - promote competition and concurrent powers with OFT to apply competition law. Powers apply to privately and publicly funded health and social care services
 - regulate pricing but only “where necessary” and with flexibility between ‘efficient’ and/or ‘maximum’ price. Monitor’s powers to regulate pricing only relate to publicly funded health services
 - have responsibility for FT continuity of service – “continued access to key services in some cases”
 - authorise “special funding arrangements for essential services that would otherwise be unviable” (with agreement of NHSCB and subject to rules on state aid)
 - have powers to intervene directly in the event of failure.

- There is reference made to enforcing competition law. Monitor will be able to undertake market studies and refer structural problems to the Competition Commission.

Efficiency and bureaucracy

- The Government acknowledges that the cuts in administrative costs represent an “important but modest contribution” to the overall NHS efficiency drive.
- NHS management costs will be reduced by more than 45 per cent over the next four years.
- Strategic health authorities will be abolished by 2012/2013.
- Tight cost reduction will apply to centrally managed DH programmes.
- Other potential cost cutting solutions include: the forthcoming review of arms length bodies; NHS services increasingly empowered to be “customers of a more plural system of IT and other suppliers”; a reduction in the regulatory burden; and energy efficiency and sustainability.
- Existing providers will be freed from central and regional management and they will be supported by a system of economic regulation, overseen by Monitor.
- GP consortia will align clinical decisions in general practice with the financial consequences of those decisions.
- There is a commitment that the QIPP programme “will continue with even greater urgency” and it is hoped that SHAs and PCTs will devolve leadership of this agenda to GP consortia and local authorities as soon as practicable.
- The DH will place requirement on SHAs and PCTs to ensure rigorous financial control over the transition period, supported in this task by Monitor.
- Best practice pricing, increased use of quality incentives and a move away from average cost prices, will be an important feature of the new system.

Quality and outcomes

- The document reaffirms the Government’s commitment to hold the NHS to account “against clinically credible and evidence-based outcome measures.”
- The new NHS Outcomes Framework will include national outcome goals, chosen by the Secretary of State (following consultation), with the NHSCB held accountable for attainment. A further consultation document on the draft framework was published on 19th July.
- GP consortia will have a commissioning outcomes framework, which should “create powerful incentives for effective commissioning.”
- The National Institute for Health and Clinical Excellence (NICE) will develop quality standards for the NHSCB, with 150 different standards ultimately expected. The library of standards should be “reflected in commissioning contracts and financial incentives.”
- The NHSCB will be responsible for a payment system structure, with the economic regulator looking after pricing.
- Current Payment by Results tariffs will be refined, with the introduction of best practice tariffs to be accelerated. The DoH will evaluate the scope for a benchmarking approach.
- Commissioners will be able to pay a quality increment if providers deliver excellent patient care in line with commissioner priorities.
- CQUIN will be extended to support local quality improvement goals.
- Commissioners will be enabled to impose penalties on providers delivering substandard care.
- A “single contractual and funding model to promote quality improvement” will be developed.

- The Cancer Drug Fund will come into operation from April 2011. Value-based pricing for NHS medication will be introduced once the current scheme expires.

Choice and control

- From April 2011, patients will be able to choose their consultant-led team for elective care where clinically appropriate.
- Choice will be extended to include mental health providers from April 2011, and for diagnostic testing and choice post-diagnosis from 2011 onwards.
- Patients will be able to choose a GP practice (with an open list), not limited to where they live.
- A consultation on choice of treatment is expected later in 2010, including "potential introduction of new requirements on providers, and collecting and publishing information on whether this is happening to support patients."
- Patients will have choice of treatment and provider for most NHS-funded services no later than 2013/14.
- A single number for all types of urgent and social care will be established and technology developed to help people communicate with their clinicians.
- A further tranche of Personal Health Budget (PHB) pilots will be encouraged with general roll out informed by evaluation in 2012. This includes the potential for introducing PHBs for NHS continuing care.
- The Government has confirmed there will be no bail-outs for organisations that overspend public budgets.

Public health

- A Public Health Service will be established, encompassing the existing health improvement and protection bodies and responsibilities.
- Local authorities will assume the responsibilities for local health improvement currently held by primary care trusts. While the Public Health Service will set national objectives for improving population health, local authorities will have the freedom to determine the means by which these are achieved.
- Directors of Public Health (DPHs) will be jointly appointed by the Public Health Service and local authorities. They will be given control over ring-fenced public health budgets in their local area.
- A 'health premium' will be introduced, aimed at alleviating health inequalities.
- A separate Public Health White Paper is due for publication later this year.
- Health and Wellbeing Boards will be created within local government in an attempt to coordinate commissioning of NHS services, social care and health improvement. The local boards will replace existing Health Overview and Scrutiny functions and be responsible for promoting integration and partnership working across health & social care, leading joint strategic needs assessments and promoting collaboration on local commissioning plans.

Social care

- The Department of Health will establish a commission on the funding of long term care and support to report within one year. A white paper is then expected in 2011, with the aim of introducing legislation in October 2011

Workforce

- The Government advocates allowing all employers the right to determine their own pay levels. However it acknowledges that many providers will wish to utilise national remuneration contracts.
- The DoH will take more of a back seat role in relation to education and training, with employers agreeing plans and resources for workforce

development with their staff. Healthcare professions at both a local and national level will assume leadership for education commissioning.

- The review of public sector pensions chaired by Lord Hutton will examine issues including labour market mobility and the potential impact upon plurality of provision, alongside affordability and sustainability.

Mental health

- Choice of both treatment and provider will be extended into some mental health services from April 2011.
- The importance of decision aids to enable effective patient choice is particularly acknowledged for mental health and community services.
- A set of Payment by Results 'currencies' for adult mental health services will be introduced from 2012/13. There are also plans to develop currencies for child and adolescent services.
- Payment mechanisms to support the commissioning of talking therapies will be formulated.
- An assurance is made that the criteria utilised within the NHS Outcomes Framework will ensure that mental health outcomes are included.
- The NHSCB will take responsibility for commissioning some specialist mental health services.

Information revolution

- The white paper includes a focus on the publication of "comprehensive, trustworthy and easy to understand information" from a range of sources.
- Patient Reported Outcome Measures (PROMs), patient experience data and real-time feedback are all expected to be utilised more frequently in the future. Patients will have the opportunity to rate services and specific clinical departments.
- National clinical audit will be broadened out across a larger range of treatments and conditions.
- Quality Accounts will be revised in an attempt to enhance local accountability. The White Paper also states all providers of NHS care will have to publish accounts from 2011, subject to evaluation.
- Hospitals will be required to be open about mistakes and to always inform patients of errors made with their care.
- A consultation on health records will be held later in 2010 to determine the appropriate confidentiality safeguards. Records will be made available in a standardised format, with patients enabled to provide access to third parties if they wish to.
- The virtues of a voluntary accreditation system will be examined, which would allow organisations to apply for a quality standards kite mark.
- The Information Centre will have an enhanced role, with centralised data returns and the responsibility for reviewing existing data collections.
- Clear contractual obligations around accuracy and timeliness of data will be placed on providers. Compatibility of data among both providers and commissioners is paramount.
- There will be a consultation on the information strategy in autumn 2010.

Patient and public engagement

- The NHSCB is to act as a champion for patient and carer involvement.
- HealthWatch England will sit inside the Care Quality Commission. LINKs will become the local arms of HealthWatch and will be both funded by and accountable to local authorities.

- Local HealthWatch and HealthWatch England will play crucial roles in providing advocacy and support and within the complaints procedure.
- Local HealthWatch will also be empowered to recommend investigating services deemed to be inadequate.

Further consultation

4. Further, more detailed, consultation documents are expected to be issued in the coming days; the first of these *Transparency in Outcomes – a Framework for the NHS* was published on 19th July. It proposes a framework developed around five outcome domains:
 - a) Preventing people from dying prematurely
 - b) Enhancing quality of life for people with long term conditions
 - c) Helping people to recover from episodes of ill health or injury
 - d) Ensuring people have a positive experience of care
 - e) Treating and caring for people in a safe environment and protecting them from avoidable harm.
5. The development of the framework will be guided by the following principles:
 - Accountability & transparency
 - Balance
 - Focus on what matters to patients and healthcare professionals
 - Promotion of excellence & quality
 - Focus on outcomes the NHS can influence, but working in partnership with other public services where required
 - Internationally comparable
 - Evolving over time
6. Two further documents were published on 22nd July: *Local Democratic Legitimacy in Health*, which provides further information on the proposals for increasing democratic legitimacy through a clear and enhanced role for local government; and *Commissioning for Patients*, which provides further information on intended arrangements for GP commissioning, and the role of the NHS Commissioning Board.
7. Consultation on all three documents runs until 11th October 2010.
8. A further consultation document will cover freeing providers and economic regulation. It should also be noted that related proposals, such as a White Paper on Public Health, and proposals on the future funding of social care will be published in the autumn.

Responding to the proposals

9. The Department of Health is carrying out a series of consultation activities with patients and the public, NHS staff, local government and the voluntary, social enterprise and third sectors. However, it will be important for Herefordshire to provide a response to both the proposals in the White Paper and the more detailed consultation documents that flow from it. Whilst not precluding responses from individual organisations or groups in the county, there is considerable value to be gained from NHS Herefordshire demonstrating its leadership of the local health economy through co-ordinating a partnership response to the consultations.
10. It is suggested that a local event be scheduled for the autumn, to draw together views from a range of partners across health and social care and to shape a distinctive Herefordshire response.

11. As importantly as responding to the consultations, the implications, both positive and negative, of the proposals for the key change programmes in Herefordshire will be assessed over the next few weeks. This will include (not exhaustive):

- Developing the Integrated Care Organisation
- The work of the Health & Social Care Commissioning Board
- The overall transformation programme
- Shared Services Project
- Workforce development matters

12. These and other matters will be discussed within the Joint Management Team and other forums over the coming weeks. A further report will be brought to Leader's Briefing and the informal NHS Herefordshire Board meeting in September. It is also proposed to report to the HPS Steering Group in September. This briefing is also being made available to the relevant scrutiny committees.

Conclusion

13. As noted above, the proposals in the White Paper are consistent with the vision for Herefordshire, and supportive of our aims to achieve improved health services and outcomes, as well as better value for money, whilst putting people at the heart of what we do.

14. We will lead a local debate to ensure that we develop a distinctive Herefordshire response to the White Paper. We will also ensure that the potential implications of the White Paper for our major change initiatives are assessed and managed appropriately.

15. The Board and Cabinet Members will be kept up to date with developments relating to the White Paper over the coming weeks, and a summary of this briefing will also be made available to all elected members.