REPORT TO:	**HEALTH AND WELLBEING BOARD (CROYDON)** **14 December 2016**
AGENDA ITEM:	**11**
SUBJECT:	**Progress on outcomes based commissioning for over 65s**
BOARD SPONSOR:	**Paula Swann, Chief Officer, Croydon Clinical Commissioning Group** **Barbara Peacock, Executive Director People, Croydon Council**

BOARD PRIORITY/POLICY CONTEXT:

The vision for Croydon is that people experience well-co-ordinated care and support in the most appropriate setting, which is truly person-centred and helps them to maintain their independence into later life. With an ageing population, the focus of the programme is on services for the over 65s and the outcomes that local residents have said are important to them – those factors that make a genuine difference to their health, well-being and quality of life.

The Croydon Alliance Agreement and Contract for Outcomes Based Commissioning (OBC) for over 65s has been developed to deliver Croydon CCG's vision of "longer, healthier lives for all the people in Croydon" and meets the key national overarching aims – 'Everyone Counts: Planning for Patients 2014/15 to 2018/19. NHS England' and supports the Council's key strategic priorities with regard to promoting and sustaining independence, well-being and good health outcomes for Croydon residents. The outcomes are aligned to "Ambitious for Croydon" promises:

- creating growth in the economy;
- helping residents be as independent as possible, and;
- creating a pleasant place in which people want to live.

Additionally, the programme aligns with the aims of the Better Care Fund which are that health and social care services must work together to meet individual needs, to improve outcomes for the public, provide better value of money and be more sustainable. The programme builds on a long history of joint work in Croydon, including recent developments in delivering whole person integrated care through the Transforming Adult Community Services work.

OBC integrates health and social care for the over 65s and has a comprehensive outcomes framework that is focussed on improving outcomes for people. Extensive consultation with local people on what outcomes they wanted took place, and they chose the following:

- Staying healthy and active for as long as possible;
- Having access to the best quality care available in order to live as I choose and as independent a life as possible;
- Being helped by a health and social care team that has had the training and has the specialist knowledge to understand how my health and social care needs affect me;
- Being supported as an individual, with services specific to me;
- Having improved clinical outcomes.

OBC draws on a number of recommendations from existing strategies that have been developed, including The Independence strategy 2015-181 and Croydon-wide End of Life Strategy 20152 and the emerging Out of Hospital Strategy 2016. It aligns with the wider health system changes outlined in the South West London Sustainable Transformation Plan (SWL STP).

The contract for delivery of integrated health and social care will go further than before and takes a pro-active and transformational position. The individual and their family will be at the centre of Croydon's health and care system, ranging from the promotion of good health and well-being, through early intervention and support and, when needed, the delivery of treatment and care services. Croydon's older people and their families should expect to experience seamless, joined- up care and health provision of consistent quality and high standard; services will be arranged around them and their needs, rather than their having to fit in with how health and social care professionals structure or organise services.

FINANCIAL IMPACT:

The ambition for the contractual arrangements for OBC for the over 65s will be to use a capitated (per head) payment mechanism that incentivises the providers to improve outcomes for the population. This means that the providers will be given a fixed amount (the capitated fee) to cover the costs of health and care for the population rather than being paid directly for activity. The aim is to ensure a financially sustainable economy with a transformed health and care system for Croydon residents. The contracting options for year one are being defined and will allow for a transition year to support a secure move to a capitated budget from year two.

The financial projections used to define the Maximum Affordable Budget (c£221m year one; £41m social care and £180m health) have been aligned with Quarter 3 planning assumptions and models.

The budget includes annual contract inflation, demographic growth and non-demographic growth.

There are defined efficiency savings in the early years of the contract which align with the CCG's QIPP targets and the Council's agreed savings programme plus 5% social care efficiency built in for future years. The financial model projects the 10 year position for the whole system, aiming to demonstrate the 'Do Nothing' scenario against transformation assumptions.

The Croydon Alliance Agreement will set out proportionate risk share arrangements where each party will share risk proportionally.

1. RECOMMENDATIONS:

1.1 The Health and Wellbeing Board is asked to note the contents of the report.

2. EXECUTIVE SUMMARY

2.1 The purpose of this report is to update the Health and Wellbeing Board members on the progress of OBC Programme towards a 10 year contract to develop an Integrated Health and Social Care system for the over 65s population in Croydon.

2.2 The Commissioners and Providers have agreed to combine their strengths to form a Commissioner / Provider Alliance from year 1 with the view of Commissioners stepping out of the Alliance in a few years when the capability for managing the whole system as an Accountable Care System has been established.

2.3 The Alliance Board has been established and an independent Chair is to be recruited. The Chair the Croydon GP Collaborative has been agreed as the Senior Responsible Officer, on behalf of the Alliance Board.

2.4 To enable a contract to be signed to commence from April 2017 it was agreed at the Alliance Board that a 1 year contract with the option to extend by 9 years is the best option. Year 1 will be a transition year to a full capitated Outcomes contract from year 2.

2.5 The Outcomes framework has been agreed and further work to establish the measuring of the Outcomes is underway.

2.6 Progress has been made on the New Model of care initiatives, with Personal Independence Co-ordinators (PICS) now in place for 2 of the 6 GP networks. Lessons learned in this early implementation stage will be implemented in the wider rollout of PICS to the remaining 4 networks.

3. DETAIL

3.1 **Most Capable Provider process** - the following Providers were identified by Commissioners as potentially the “Most Capable” following an initial MCP assessment led by the CCG with the Council Commissioners in April 2015 and asked to form an Accountable Provider Alliance (APA):

- Age UK Croydon;
- Croydon Council Adult Social Care;
- Croydon GP Collaborative;
- Croydon Health Services NHS Trust;
- South London and Maudsley Mental Health NHS Foundation Trust.

3.2 The first stage of the Capability Assessment process (CAP1) assessed how the Providers would work together effectively and how they could collectively develop the required capabilities and competencies to deliver an OBC contract. They submitted a letter of intent and self-assessment, and following Commissioner Evaluation, passed CAP1.

3.3 The second stage of the Capability Assessment process, CAP2 took place during dialogue and required the APA to submit a final memorandum of understanding, a response to the organisational capabilities toolkit and a vision and roadmap for their delivery model. Following Commissioner Evaluation and

feedback the APA were asked to re-submit elements with the next Capability Assessment (CAP3).

3.4 The APA submitted documents under the CAP3 evaluation process in January 2016. This was followed by a second submission in February 2016. The Commissioners fed back the results of the evaluation to the Board to Board on 3rd March.

3.5 Through further discussions, it was agreed that the CAP3 process would be extended to July 2016 using the proportional intervention set out in the Contract Information Pack (CIP), with a view of awarding the OBC contract for 01 October 2016. The MCP process concluded in July 2016 with a log of all remaining conditions. A letter confirming this was issued to the APA on the12th August 2016.

3.6 **Transition to a Croydon Alliance Agreement** - Following the Capability Assessment 3 process, it was agreed that the commercial structure of the Alliance should formally change to address the conditions specified through the Capability Assessment process. The proposal to form 'The Croydon Alliance' with Commissioners joining the Alliance Provider partners was agreed at the Board to Board on 18 August 2016. Commissioners joining is aimed to be an interim step to enable the Providers in the Alliance to develop into an organisation that can be accountable for the whole health and social care system for the over 65 population through a capitated budget as part of an outcomes based contract.

3.7 As part of the shared commitment to meet the conditions it was also agreed that the Commissioners would work together with the Providers to develop the system wide financial model. This will be linked to the Croydon Sustainability and Transformation Plan ('STP').

3.8 A key objective for the Alliance Agreement is for the providers to explore the establishment of an Accountable Care System (ACS) which would see the Commissioners leaving the Alliance and the Alliance Agreement transitioning into an ACS contract.

3.9 The benefits of a Commissioner/Provider Alliance include:

- Brings Commissioner system management capabilities into the Alliance
- Builds upon the work undertaken by Providers whilst maintaining momentum/pace;
- Enable conclusion of the MCP process
- Support assurance with NHS England and NHS Improvement;
- Manage and mitigate system risks more effectively;
- Use the Alliance approach developed elsewhere (NHS alliance template available as route to ACS);
- Help in transition of Commissioner function

3.10 There is a legally binding Croydon Alliance Agreement that is being jointly developed by Commissioners and Providers setting out the principles and roles and responsibilities of all members, as well as terms and conditions covering contractual details such as termination, exit, default and dispute resolution.

3.11 Governance - An Alliance Board has been established as part of the Governance Framework, an independent chair is due to be appointed. The Senior Responsible Officer is the Chair of the GP Collaborative. An OBC Delivery Board will report to it attended by all Alliance members that will establish a way of working that helps to deliver the OBC programme at pace. The Council has its own OBC Governance Board, chaired by the Executive Director of People during this interim phase.

3.12 Contracting – It was agreed at the Alliance Board held on 17 November 2016 that to ensure the OBC contract can be signed to commence on 01 April 2017 that a 1 year contract with the option to extend by 9 years is the agreed commercial option. This enables the Alliance to have a transition year towards a capitated outcomes based contract by April 2018. This aligns with the NHS Planning Guidance. Options for Payment Mechanisms in year 1 are being developed to align with the South West London STP and to meet the needs of the Croydon Health and Social Care economy.

3.13 Outcomes Based Commissioning – OBC focuses on measuring and rewarding outcomes rather than inputs. Measuring outcomes and aligning incentives will enable the Commissioners to monitor performance across the whole health and care economy and, when combined with appropriate contractual and payment mechanisms, will allow providers to work together to deliver whole person integrated care and achieve a common set of goals.

3.14 People in Croydon were consulted with in the development of the five high-level Outcomes; these outcomes reflect the following 'I' Statements from the consultation, forming the OBC Outcomes Framework (see background papers) Domains:

Figure 1: OBC Over 65s Outcome Domains:

3.15 These outcomes are supported by goals and indicators (incentivised and non-incentivised) that demonstrate achievement. The example below presents one domain, the outcomes for this domain and the indicators that will demonstrate the delivery of the outcomes.

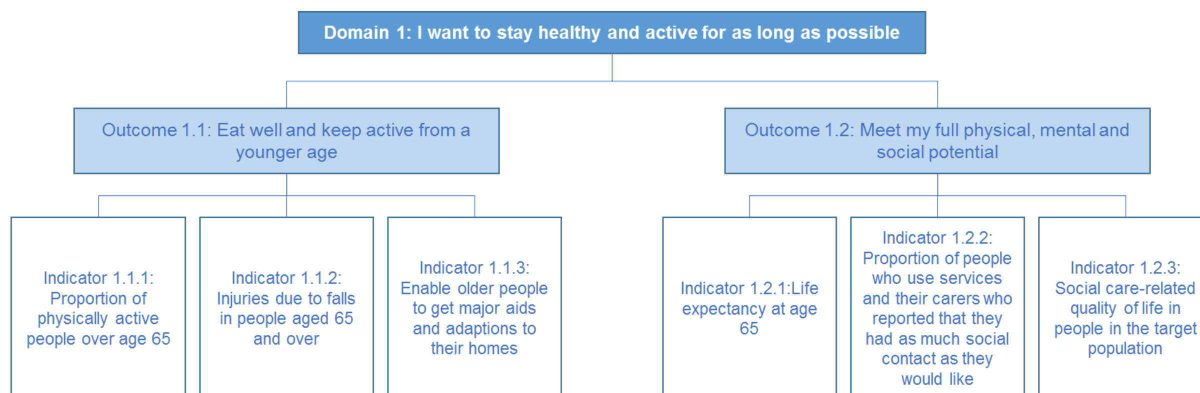


Figure 2: Summary of Domain 1 with outcomes and indicators

3.16 The indicators have been identified from a range of sources including national Outcomes Frameworks, quality standards, local data sources, national guidance and research on patient experience and outcomes. Many of the indicators draw upon data that is currently collected and reported by the Providers of the Alliance. This approach has been adopted to reduce duplication and the unnecessary development of new indicators which can be time consuming and costly. Where measures will need to be developed or enhanced locally this will be done in the early years of the contract.

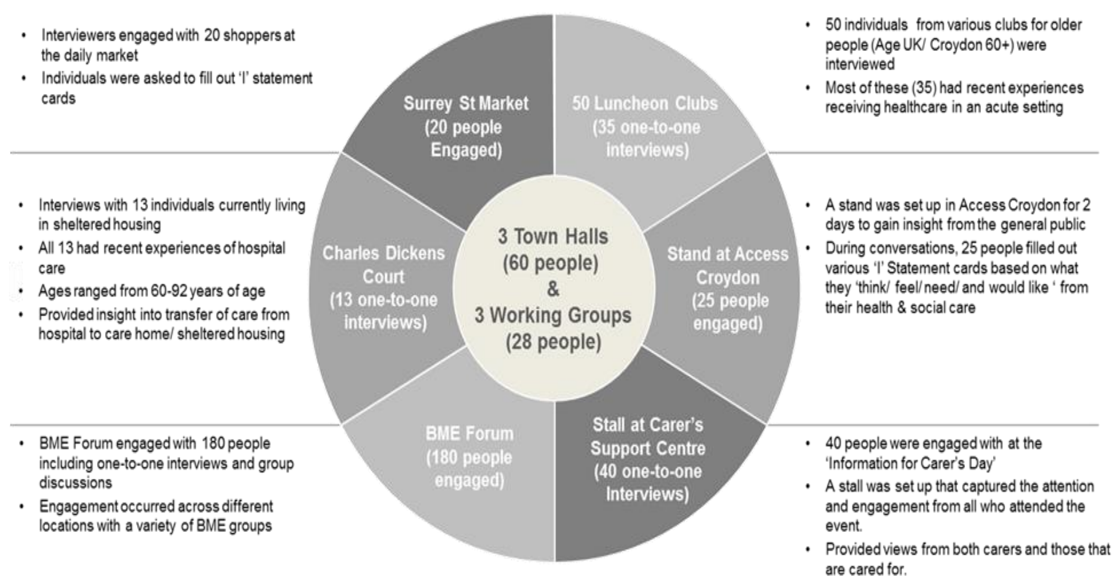
3.17 Commissioners and Providers have (during dialogue) agreed and formally signed-up to the Outcomes Framework and the formal technical specifications for each of the incentivised indicators have been developed. The specifications include proposed data sources, methodology for calculating the indicator, and recommended sample sizes (where relevant).

3.18 The Croydon Alliance will revisit the indicators and outcomes within the framework to ensure that these are amended to include new indicators as appropriate at the end of each phase of the contract e.g. years 3 and 7. Please see background documents for the full Outcomes Framework and Indicators.

4. CONSULTATION

4.1 Outcomes based commissioning (OBC) is a way of recognising the importance of working with the community to identify the results they want to see achieved in relation to health and care services; these outcomes then set the framework within which providers of services can design solutions to achieve them.

4.2 In line with the general duty to involve individuals and the wider community, an extensive phase of testing and co-design was put in place. The town hall events and working groups were central to the co-design and these were supported by a number of additional activities that are summarised below. Overall 400 individuals provided input and the views and opinions gathered were fed back into the process to support the development of and verify the detailed outcome design.



4.3 The outputs from the consultation and engagement exercise set out above directly informed the development of the outcome framework.

4.4 The Service User Specialist Engagement Group has been meeting on a monthly basis with representatives of the OBC Programme and APA, to contribute to the consideration of how the APA would 'meet the needs of the service users' (CIP requirement). Both commissioners and providers have a requirement to involve people and build their feedback into the design, delivery and monitoring of services. The public engagement meetings have been structured to:

- Gain feedback from OBC commissioners on progress in developing the contractual requirements for the new way of working;
- review engagement activity conducted since June 2015 and contribute to the development of further engagement activities;
- hear from APA leads about the development of the Model of Care;
- discuss and contribute to the potential initiatives for year one of the new

service and consider the priorities and possible gaps within the initiatives.

4.5 Four members of the group attended a follow up session from the first 'hothouse' sessions in December with other stakeholders, where the next steps in the development of the Model of Care was shared and they worked - with providers - through patient scenarios, to consider how the integrated working of the new model would ensure an effective service, meeting the needs of the people of Croydon.

4.6 Further engagement has taken place in February and March 2016, jointly facilitated by the OBC Engagement Team and APA, with members of the SUSEG in attendance to support the facilitators. This took place with five groups:

- Carers Partnership Group
- PPG Network Group
- Asian Community Elders Forum
- Gentleman's Probus
- Lahona Community Group

5. SERVICE INTEGRATION

5.1 The transformation team have created a vision for the New Model of Care in Croydon and is illustrated below.

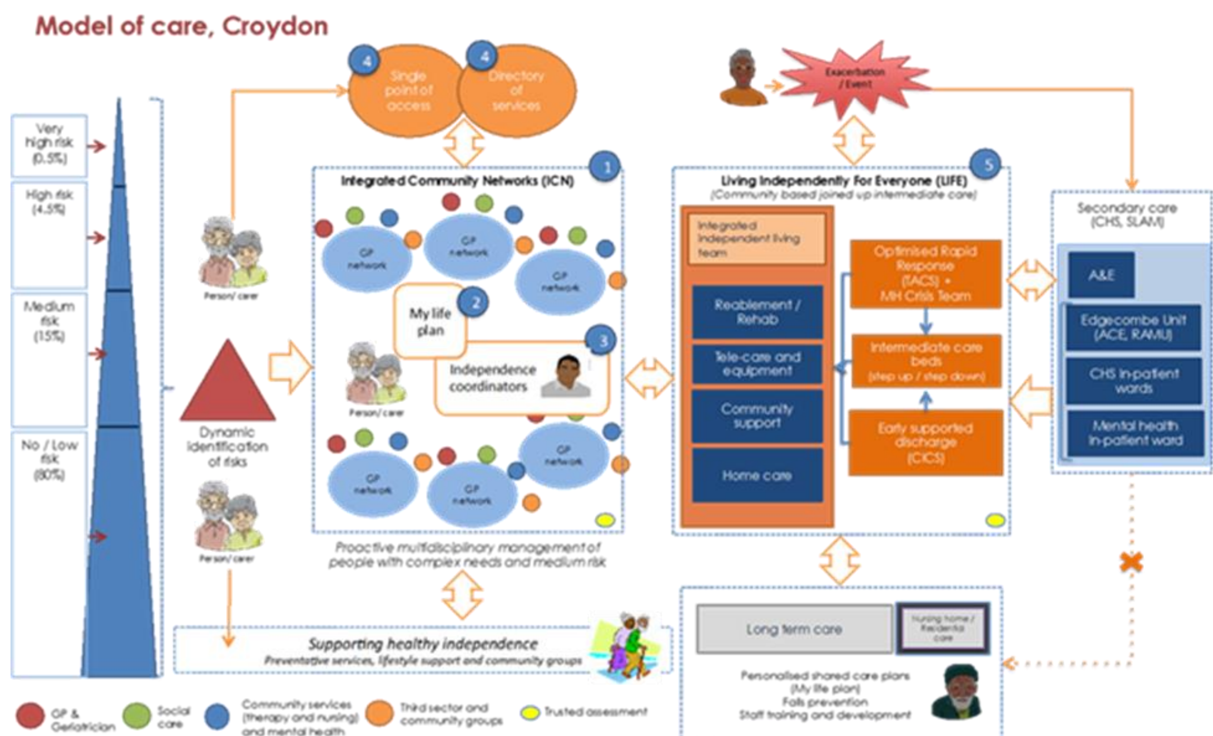


Figure 3: New Model of Care in Croydon

5.2 Croydon Council as Adult Social Care Provider

5.2.1 The Council is unique in the Alliance as Provider and Commissioner in the Alliance. The proposed Governance of OBC consists of:

- OBC Alliance Board with an independent chair, with Executive Director People and Director of Adult Social Care and All Age Disability attended by all Alliance Partners senior officers
- One Council vote, with two representatives (Commissioner & Provider) with unanimous decision making so the Council will have the right of veto as will all partners
- OBC Programme Delivery Board attended by all Alliance partners to report to the Alliance Board

5.2.2 A Joint OBC Contract Management Framework is in development that will ensure the main OBC over 65s contract is managed effectively by the Council and CCG, cross referencing the third party contract management process.

5.2.3 During this financial year 5 initiatives for New Model Of Care development and service integration are in the delivery stage:

5.2.4 Create a **Multidisciplinary Community Hub** - in 2 of the 6 GP networks.
Delivery: Strengthening MDT working with GPs to include links with voluntary groups and third sector organisations so they provide a responsive, flexible and timely service.
Results: Ensures people go straight to the right place

5.2.5 Develop ‘**My Life Plan**’.
Delivery: Helping individuals take positive steps.
Results: Maximises an individual’s health and wellbeing

5.2.6 Establishment of **Personal Independence Co-ordinators** (6 now in post) in 2 of the 6 GP networks.
Delivery: Offering a continual supportive presence, ensuring services and support are delivered in a personalised, co-ordinated, relevant and timely way.
Results: Every person has someone to speak to.

5.2.7 **Single Point of Access and Information** to voluntary sector and health and council (link to Gateway).
Delivery: Bringing existing resources together with a single access point for information and advice and a call centre drawing on a shared directory of services.
Results: Ensures people go straight to the right place.

5.2.8 **Living Independent For Everyone** (LIFE)
Delivery: Providing integrated step-up and step-down reablement and rehabilitation to reduce the need for hospital admissions and care home placements, and help people return home from hospital safely.
Results: Ensures people are supported to regain their independence.

5.3 Further opportunities for service integration are being explored that will promote the best experience for users and more sustainable services for providers.

6. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 Revenue and Capital consequences of report recommendations - The Commissioners wish to move to a capitated payment mechanism incentivised to improve outcomes for the population. This means that the Providers will be given a fixed amount per capita to cover the costs of care for the population rather than being paid directly for activity. The outcomes framework supports the capitated payment approach as it will incentivise the Providers to manage the quality and cost of provision – the Providers will be able to decide where to invest in order to deliver these outcomes, incentivising early intervention and prevention and thereby keeping patients well and out of hospital. The incentivisation of outcomes is expected to cascade through the care system to align and focus care teams such that each care pathway/intervention maximises outcomes for the population.

6.2 For the health and social care services over the ten-year OBC contract period, this section describes the approach to the development of:

(i) a 'Do-Nothing' projection of care costs for older people in Croydon; and

(ii) a Maximum Affordable OBC Budget for the care of older people in Croydon

6.3 Key aspects of the methodology and assumptions underpinning the 'Do Nothing' projection and Maximum Affordable OBC Budget are outlined in the illustration below.

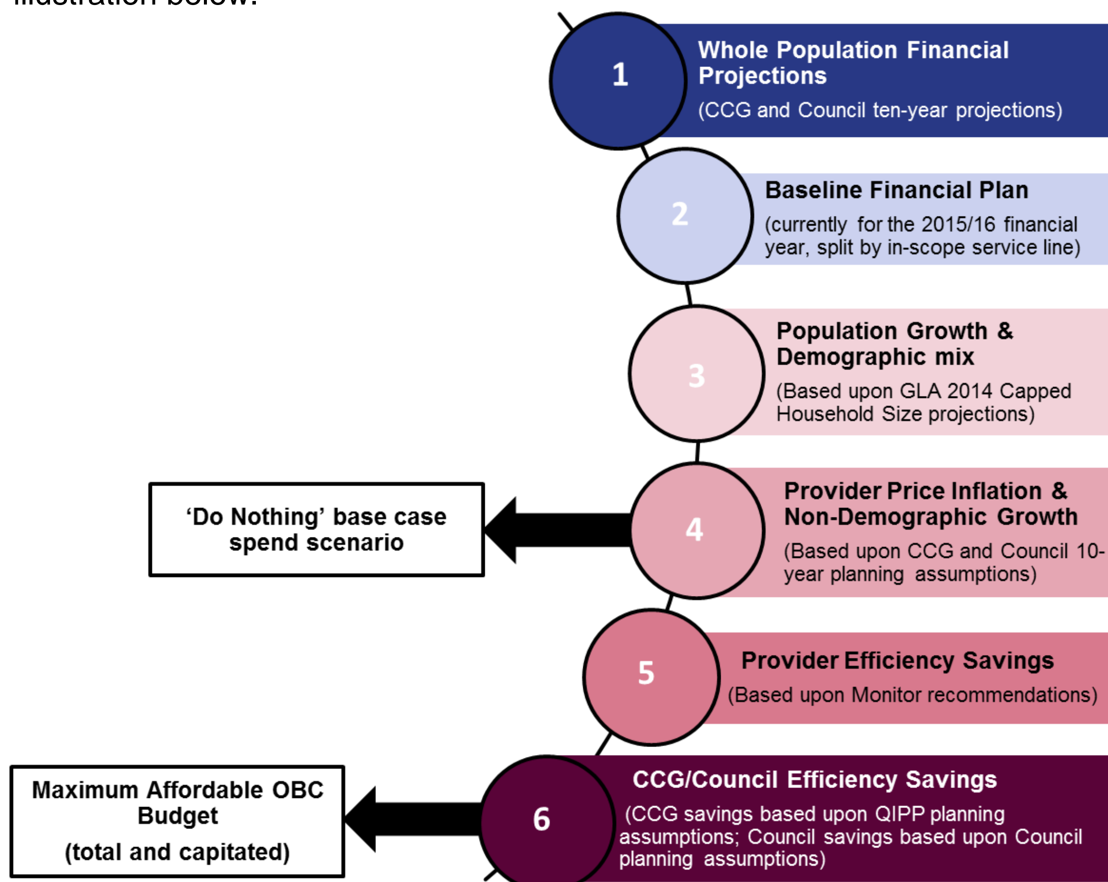


Figure 3: Methodology for creating the Maximum Affordable OBC Budget

6.4 The Maximum Affordable OBC budget represents the maximum budget available to the Providers for the OBC contract each year. Comparing this to the projected 'Do Nothing' base case spend scenario provides the system-wide financial challenge that needs to be addressed through savings.

6.5 **Risks -** There are a number of programme risks being managed by the OBC PMO. These are monitored monthly by the OBC Programme Board, with membership from the CCG and Council. This will be monitored by the Alliance Board going forward to assure all parties that effective programme management is in place and that risks are suitably mitigated.

6.6 **Health Efficiency Saving Assumptions -** The health Quality, Innovation, Productivity and Prevention (QIPP) scheme is designed to ensure that each pound spent is used to bring maximum benefit and quality of care to patients.

6.7 The QIPP savings represent savings that the CCG will be expected to make. The QIPP savings assumed by the CCG have been derived from the CCG 10-year planning model by using service utilisation percentages to apportion QIPP opportunities between to the over 65 population.

6.8 **Council Efficiency Saving Assumptions -** The Council also has efficiency savings they expect to make. Savings of 5% in futures years of the contract and a slightly lower efficiency target in the earlier years.

6.9 Approved by: Lisa Taylor on behalf of Head of Departmental Finance, Croydon Council

6.10 Approved by: Mike Sexton on behalf of Director of Finance, Croydon Clinical Commissioning Group

7. LEGAL CONSIDERATIONS

7.1 Gowling WLG LLP, (Formerly Wragge & Co LLP) have been supporting the OBC programme from the outset. Gowling are leading on the production of the commercial documents on behalf of all parties.

7.2 The Council are being supported further by legal advisors from Trowers LLP.

8. EQUALITIES IMPACT

8.1 The equality analysis (EqIA) has previously been completed in the early phase of OBC, and has now been refreshed.

8.2 Evidence that underpinned the refresh of the EqIA included the draft Joint Strategic Needs Assessment (JSNA) that assesses the 'Health and Social Care Needs of Croydon's Older Adults & Carers. This provides a detailed understanding of the demographic characteristics, social determinants and health and social care needs of Croydon's over 65 population, and carers of people over 65. Following a high level appraisal of current need, the JSNA makes recommendations in areas for improvement.

8.3 Another key evidence base used is the 'Croydon Outcomes Framework for Older People's Care, Technical Specification'. This provides details of the

indicators and metrics which will demonstrate delivery of outcomes that matter to local people and ensure health equity.

8.4 The updated EqIA includes actions detailing how potential impacts are being responded to and how future arrangements will continue to identify and address equality monitoring and performance requirements.

8.5 Approved by: Sarah Ireland

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