

Report to: **STRATEGIC COMMISSIONING BOARD**

Date: 27 March 2019

Officer of Strategic Commissioning Board Jessica Williams, Interim Director of Commissioning

Subject: **GM RE PROCUREMENT OF ASSISTED CONCEPTION SERVICES**

Report Summary:

The collaboration of eight CCGs across Greater Manchester (GM) is looking to procure assisted conception services in order to offer an increased choice of providers to patients and comply with procurement regulations.

NHS Tameside and Glossop is currently an associate to two contracts for assisted conception having decided in 2013 to increase choice from one provider Manchester University Hospital Trust (MFT) and include Care Fertility. The Contract held by NHS Trafford CCG with Care Fertility is due to end May 2019 and Trafford has identified the need to re-procure to avoid a legal challenge.

GM Directors of Commissioning considered a range of options in February 2019 and recommended that NHS Trafford CCG lead procurement with a view to agreeing three contracts alongside the MFT contract. However, MFT are required to agree to work to the standard service specification and to agree separate tariffs (potentially 2 tariffs – for standard and complex cases) outside of the tender process.

The purpose of this report is to identify whether Tameside and Glossop Strategic Commission wish to be part of the GM wide procurement and sets out the three options available and the risks and benefits associated with each.

Option	Benefits	Risks
1 Participate in the Trafford Led procurement	Potential savings as all contract holders would have a reduced tariff	Time frame does not align with governance of Strategic Commission
	Separation of MFT tariff may increase costs for some patients but overall costs may be reduced	Separation of MFT tariff may increase costs for specialist patients
	Cost of procurement reduced as shared across eight CCGs	
	Less human resource needed as shared across eight CCGs	
	No procurement challenge	
	Increased patient choice	

2 Revert to MFT as a single provider when Care Fertility Contract ends (Do nothing option)	No resource needed in a procurement exercise	MFT's current tariff is higher than other providers and this may increase further
		Reduction in patient choice which is against national direction and may increase complaints
		Challenge from other providers on basis that MFT have not participated in a procurement
		No opportunity to lever savings
3 Run own separate procurement	Potential savings if achieve a reduced tariff	Level of activity may be insufficient to lever any reduction in tariff
	Can run the procurement in line with own time frame	Time frame may leave patients without a service or with no choice
	No procurement challenge	Full cost of procurement will need to be met by the CCG
		Insufficient human resource capacity to manage own procurement
		MFT may challenge the need to be involved or the outcome if unsuccessful

Recommendations:

The Strategic Commissioning Board is asked to approve the participation of Tameside and Glossop CCG in the Trafford led procurement as described in option 1.

Financial Implications:

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

Integrated Commissioning Fund Section	Section 75
Decision Required By	Strategic Commissioning Board
Organisation and Directorate	CCG
Budget Allocation	£ 0.489 million 18/19 £ 0.345 million 19/20
Additional Comments The annual budget for fertility services of £0.5m as detailed in the table below (section 2.2) is derived from 17/18 demand and growth assumptions as both providers operate this service under a cost and volume contract at a locally agreed price.	

Under the planning guidance and terms of contract negotiations, it is worth pointing out that 18/19 outturn will therefore be the basis for setting the activity and price plans for 19/20.

As part of this process and as seen in the table (section 2.2) below we are anticipating that we will underspend against this service line budget by £150k in 18/19. As such it is worth noting that the current contract offer with MFT for 19/20 is based on outturn, growth and inflation, which is currently £104k below what MFT is asking for. If we are successful with our negotiations then this will immediately be reduced from the contract value before sign off on the 21st March 2019.

With particular reference to Care Fertility and the principals of planning outlined above, the budget plan for 2019/20 is £72k, following growth, price increase and commissioner discussions.

It is important to note from the re-procurement that new proposed tariffs have yet to be confirmed albeit expected to be lower than what the CCG currently pays. Whilst this is the desired outcome from any re-procurement there could be a risk that tariffs go up, which puts pressure on the budgets.

Whilst some initial financial modelling has been undertaken, it has been difficult to obtain activity information and price structures which are comparable. However, it can be concluded that there will be very little or no savings delivered through this procurement if MFT is excluded. For context, if MFT is included, there is a potential for circa £700k across GM, but excluded these drop to £76k.

Legal Implications:

(Authorised by the Borough Solicitor)

The SCB are relying on the legal advice referred in the report of the procuring body.

How do proposals align with Health & Wellbeing Strategy?

The proposals align with the Developing Well, Living Well and Working Well programmes for action.

How do proposals align with Locality Plan?

The proposals are consistent with the Healthy Lives (prevention) strand of the Locality Plan

How do proposals align with the Commissioning Strategy?

The service contributes to the Commissioning Strategy by:

- Commission for the 'whole person';
- Create a proactive and holistic population health system.

Recommendations / views of the Health and Care Advisory Group:

The service specification against which the service will be commissioned was considered by HCAG in November 18 and no amendments were requested.

This report purely refers to a decision to procure with other in GM and as such has not been taken to HCAG

Public and Patient Implications:

The recommended option increases patient choice of provider when deemed eligible for assisted conception. This is in line with feedback received from patients and the public in the past.

Quality Implications:

The recommended option will increase patient choice and encourage providers to focus on quality aspects of their service. The evaluation of tenders will include quality dimensions.

How do the proposals help to reduce health inequalities?

The recommended option will increase patient choice but will not have a direct impact on health inequalities.

What are the Equality and Diversity implications?

The proposal will not affect protected characteristic group(s) within the Equality Act.

What are the safeguarding implications?

Safeguarding is central to the service provision.

What are the Information Governance implications? Has a privacy impact assessment been conducted?

The necessary protocols for the safe transfer and keeping of confidential information are maintained at all times by both commissioner and provider.

Risk Management:

There are no anticipated financial risks.

Access to Information :

The background papers relating to this report can be inspected by contacting Elaine Richardson on:



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1. BACKGROUND

- 1.1 In September 2013 NHS Tameside and Glossop CCG Governing Body approved the recommendation from the Planning Implementation and Quality Committee to remain as an associate to the Manchester University Foundation Trust (MFT) contract and also join as an associate with Trafford CCG's contract with Care Fertility (Manchester) – an independent sector provider which was commissioned to deliver assisted conception services to Trafford patients in 2010. This decision ensured choice for local people and the availability of a service that includes egg donation service which was not available in MFT but was a procedure that was eligible for CCG funding.
- 1.2 NHS Tameside and Glossop have continued as an associate to the Trafford contract with Care Fertility and has since been joined by Stockport CCG, Bury CCG and Salford CCG. The contract has been extended on seven occasions so far and is currently due to expire on 31 May 2019. The first four extensions were provided for within the original awarded contract; however the following three extensions were new contracts which were awarded without further competition.
- 1.3 Recognising the market and risk of challenge by other providers, one of which has previously submitted a complaint to Monitor (now NHS Improvement), a steering group was set up in June 2018 to consider options moving forward. NHS Tameside and Glossop have been involved in the group along with six other CCGs namely:
 - NHS Trafford CCG;
 - NHS Stockport CCG;
 - NHS Salford CCG;
 - NHS Bolton CCG;
 - NHS Bury CCG; and
 - NHS Oldham CCG
- 1.4 It has since been confirmed that NHS Heywood, Middleton and Rochdale CCG will be part of the group going forward.
- 1.5 In February 2019 Greater Manchester Directors of Commissioning (DoCs) considered a series of options on the way forward. These reflected discussions that had been had with MFT regarding the service they offered and the impact any GM procurement may have on the service and wider Trust. The options considered were:-

Option 1 – MFT participate in the procurement

Option 2 – MFT is excluded from participating in the procurement, holds its current contract; agrees to work to the standard service specification and negotiations take place to agree separate tariffs (potentially 2 tariffs – for standard and complex cases) outside of the tender process.

Option 3 – do nothing (procurement cannot proceed at this time) and seek further assurances to allow a decision to be made

Option 4 – amend the MFT acute contract to put in place a lead provider arrangement with subcontracted arrangements to ensure choice
- 1.6 All DoCs supported the recommended approach in option 2 to proceed with a procurement process without MFT's inclusion and go into negotiations with MFT immediately to ensure alignment to the service spec and agree the tariff.
- 1.7 DoCs further supported and encouraged the separation of MFT's standard tariff from the complex/specialist tariff; with negotiations with MFT to proceed led by MHCC on behalf of all GM CCGs in parallel with a procurement led by NHS Trafford CCG on behalf of participating CCGs.

- 1.8 The purpose of this paper is to identify whether Tameside and Glossop Strategic Commission wish to be part of the GM wide procurement.

2. TAMESIDE AND GLOSSOP CURRENT USAGE

- 2.1 On average 110 Tameside and Glossop patients receive treatment each year at one of our two providers. The prices at the two providers differ and are dependent on the nature of the service. Care Fertility is an inclusive cycle cost of £3,900 but excludes donor material and CMFT average cost is £4,744 but does include donor sperm.
- 2.2 The 2018/19 budget is £489,014 and current levels of spending suggest that expenditure will be around £150K below budget.

Provider	17/18 Budget (£)	17/18 Actual (£)	18/19 Budget (£)	18/19 FOT (£)
Care Fertility	54,000	96,000	88,000	61,800
MFT	434,101	382,398	401,014	276,537
Total	488,101	478,398	489,014	338,337

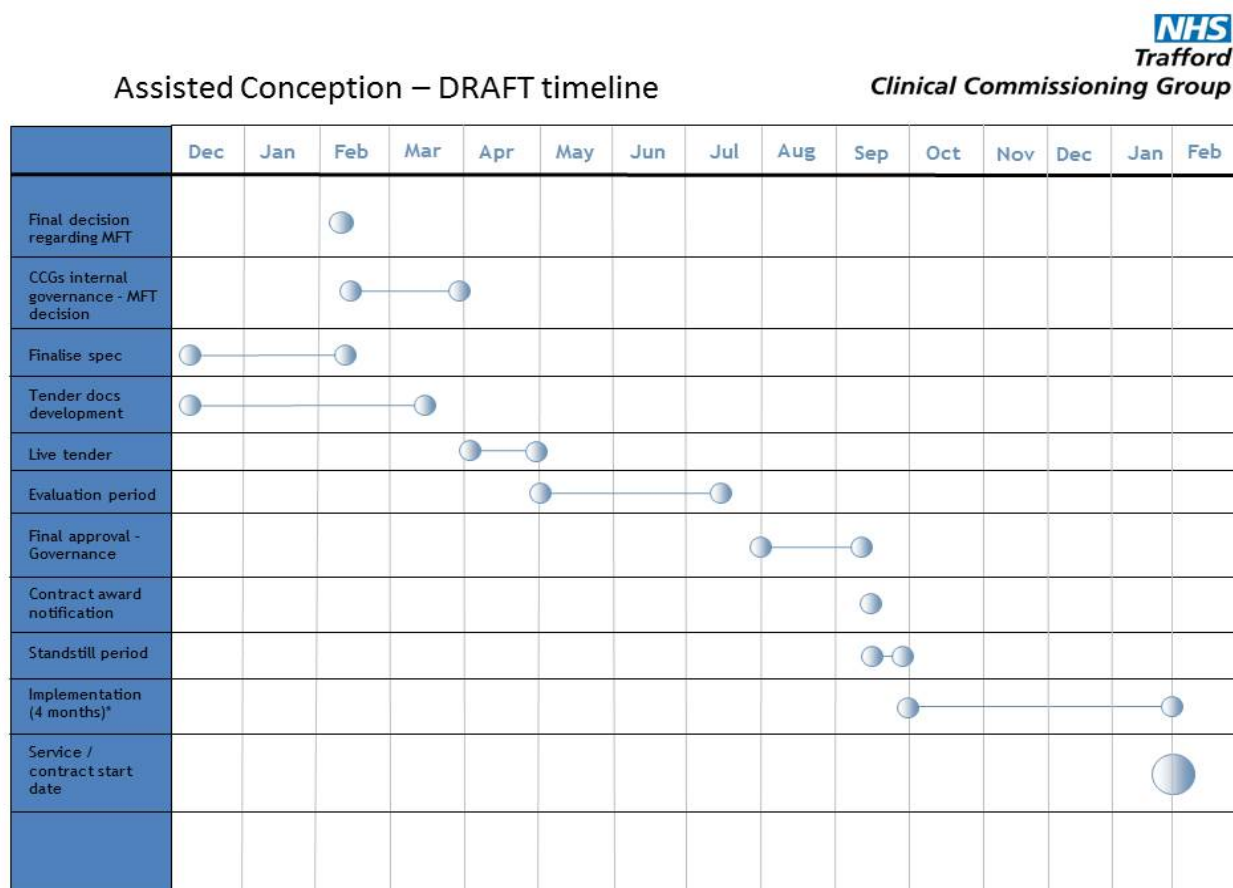
3. THE PROCUREMENT

- 3.1 The procurement is planned to achieve two main objectives:
- Increase patients' choice of provider
 - Comply with Public Contract Regulations (2015) and NHS Procurement, Patient Choice and Competition Regulations (2013) following numerous contract extensions to the current contract commissioned by five CCGs and allow other providers on the market the opportunity to compete for the activity.
- 3.2 As choice of provider is determined by the patients, the contracts awarded as a result of the procurement will be zero value contracts with no guaranteed activity; this is the case currently with Care Fertility's contract.
- 3.3 It is intended for the procurement process to result in the availability of four contracts to allow patients the choice between four providers across the footprint.
- 3.4 The service will be procured against a standard service specification which has been developed with support from GP clinical leads from Salford, Bolton and Bury CCGs. A draft version of which was discussed at HCAG with no requests for amendment but queries around the GM EUR Assisted Conception policy which is separate to this procurement. The final sign off of the service specification will be through Trafford CCG's Clinical Committee.
- 3.5 Stockport CCG's Deputy Chief Finance Officer has been identified as the Finance Lead for the procurement process and is leading the development of a tariff to be included in the invitation to tender. This will be based on activity and cost data for the participating localities and taking into account the national tariff development currently taking place.
- 3.6 Initial discussions with potential provider suggest a reduced tariff is realistic and could potentially lead to savings in the overall costs for assisted conception tertiary services. Therefore the proposed tariff will be a maximum tariff with providers being asked to include

their actual tariff in their tenders. The tariff will be one factor in the evaluation of tenders along with quality and other factors.

3.7 A procurement manager from Greater Manchester Shared Services (GMSS) has been attending the monthly steering group meetings and advising and supporting all aspects of the procurement this will continue. Procurement and legal advice has been provided throughout the process.

3.8 The draft timetable for the procurement is as below with the tender going live during April.



4. OPTIONS FOR TAMESIDE AND GLOSSOP

4.1 As an associate to both the MFT and Care Fertility contracts NHS Tameside and Glossop CCG has three options.

Option 1 Participate in the Trafford Led procurement

Option 2 Revert to MFT as a single provider (do nothing option) when Care Fertility Contract ends

Option 3 Run own separate procurement

4.2 The benefits and risks of each option are summarised below

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5. RECOMMENDATION

5.1 As set out on the front of the report.