Report to: **STRATEGIC COMMISSIONING BOARD**

Date: 16 December 2020

Executive Member /Clinical Lead/Officer of Strategic Commissioning Board

Councillor Eleanor Wills – Executive Member (Adult Social Care and Population Health)

Dr Ashwin Ramachandra – CCG Chair

Jessica Williams –Director of Commissioning

Subject: **GM RE PROCUREMENT OF DIRECT ACCESS NOUS, HEAD AND NECK MRI DIAGNOSTICS SERVICES AND AGE RELATED HEARING LOSS SERVICES**

Report Summary:

NHS Tameside and Glossop CCG (T&G CCG) have three key services that support the population to be diagnosed and treated closer to home that have contracts due to expire in September 2021. Namely, Age Related Hearing Loss, Direct Access Non Obstetric Ultrasound and Direct Access Head and Neck MRI. These services have been commissioned as part of a GM collaborative arrangement since 2013.

A GM collaboration led by NHS Salford CCG was approved by GM Directors of Commissioning to progress the reprocurement and T&G CCG have played an active role in this leading the development of the Age Related Hearing Loss and MRI specifications and providing input into the development of the tariff, quality and procurement documents.

The procurement has involved Prior Information Notices and market days for each service and GM is now ready to progress to the Procurement Phase (OPEN Procedure = 30 days) which will lead to contract awards on 3rd June 2021 and the new services starting 1st October 2021.

Recommendations:

The Strategic Commissioning Board is asked to approve the commissioning of Age Related Hearing Loss, Non Obstetric Ultrasound Sound and Head and Neck MRI services through the GM Procurement Process.

Approve the delegation of the Award recommendation to the Director of Commissioning.

Financial Implications:

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

ICF Budget	S 75 £'000	Aligned £'000	In Collab £'000	Total £'000
CCG	£1.6m			£1.6m
Total	**£1.6m**			**£1.6m**
Section 75 - £'000 Strategic Commissioning Board			Section 75	

Value For Money Implications – e.g. Savings Deliverable, Expenditure Avoidance, Benchmark Comparison

The CCG uses a number of suppliers for the delivery of NOUS, MRI and Audiology. These contracts are based on cost and volume and the CCG expenditure ranges from £1.5m in 19/20 to £1.6m planned in 21/22.

NOUS - £0.7m

	MRI - £0.2m Audiology - £0.6m The GM procurement process will maximise the value for money for the provision of these services, which is expected from the purchasing power of GM to achieve the lowest possible tariff prices. Savings will be deliverable from the price reductions from the start of the new contracts. Cost pressures will only arise if demand exceeds current capacity built within future financial plans.
Legal Implications: **(Authorised by the Borough Solicitor)**	As set out in section 2 of the report advice on the procurement of these services is being delivered by STAR and their comments and advice are set out in paragraph 2.6. It is critical that the commissioners follow the procurement advice to ensure that a compliant procurement route has been followed.
How do proposals align with Health & Wellbeing Strategy?	The services are key to improving the health and wellbeing of the population. They ensure local access to high quality services and enable effective pathways that maximise clinical outcomes. The services support the Developing Well, Living Well and Working Well programmes.
How do proposals align with Locality Plan?	The services are integral to delivering our priorities of: longer and healthier lives with good mental health through better choices and reducing inequalities and independence and activity in older age, and dignity and choice at end of life.
How do proposals align with the Commissioning Strategy?	The service contributes to the Commissioning Strategy by delivering choice of access closer to home early in pathways. The services will allow additional capacity and help ensure the most effective use of clinicians and diagnostic equipment.//
Recommendations / views of the Health and Care Advisory Group:	HCAG have been involved in the process from the initiation. They supported the intention to remain with a GM collaborative approach in December 2018 and developed the intentions to retain choice within Tameside and Glossop and improve the Age Related Hearing Loss pathway, HCAG reviewed and supported draft specifications and in March 2020 reiterated the request for multiple providers to operate.
Public and Patient Implications:	The continued access to key diagnostics within Tameside and Glossop will enable the population to access care more locally and be able to exercise choice. The improved Age Related Hearing Loss pathway will reduce visits to GPs and ensure more people are able to benefit from a one stop shop. The approach to managing patient involvement and participation, patient experience and feedback is included in the evaluation of bids.
Quality Implications:	The procurement includes evaluation of quality including use of the quality improvement programme to improve patient care and outcomes. Providers are expected to follow National guidance on quality and safety and will report on key Quality and Performance indicators.

	How providers will manage their services in the light of COVID-19 is another key factor in the procurement.
How do the proposals help to reduce health inequalities?	Local access improves uptake of services and providers are evaluated on their ability to meet the diverse needs of the local population. They are required to comply with the Public Sector Equality Duty We have made a strong commitment to achieving social value through procurement activity and providers will be required to demonstrate social value.
What are the Equality and Diversity implications?	The proposal will not affect protected characteristic group(s) within the Equality Act. Providers will comply with NHS mandatory EDI requirements.
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 purchaser and provider.
Risk Management:	These services are core to the provision of health care and the contract expiry means the CCG will have to procure separately if it no longer wishes to remain within the GM collaboration. There is insufficient capacity to accommodate the activity within other contracts and the CCG may be subject to legal challenge if it does not allow a competitive procurement. GM commissioners will work closely with the providers to manage and minimise any risk of provider failure consistent with the provider's contingency plan.
Access to Information :	The background papers relating to this report can be inspected by contacting Elaine Richardson.  Telephone: 07855 469931  e-mail: elaine.richardson@nhs.net

1 BACKGROUND

1.1 In 2013 Greater Manchester CCGs collaborated on the commissioning of services through the Any Qualified Provider (AQP) contract route. NHS Tameside and Glossop CCG (T&G CCG) have remained a partner in that process and are the Contract Lead for one of the 22 contracts awarded and Associate to the others.

1.2 There are currently 3 services commissioned via GM AQP arrangements, these are:

Age Related Hearing Loss
Non-Obstetric Ultrasound (NOUS)
Magnetic Resonance Imaging Head and Neck (MRI)

1.3 The contracts awarded in the reprocurement carried out in October where due to expire on 30th September 2020 and in preparation in 2018 NHS Tameside and Glossop agreed to continue to be part of the GM collaborative approach. The reason being the alternative would be a separate procurement exercise that would require additional resource and would lose the leverage that a GM process provides.

1.4 Due to the complex nature of the procurement, the changing commissioning landscape and the impact of COVID GM the procurement was delayed and Directors of Commissioning (GM DoCs) agreed to extend the current contracts, initially for 6 months to 31 March 2021 but with an option for a further 6 months to 30 September 2021. In November 2020 GM DoCs confirmed the need to extend to 30 September.

2 PROCUREMENT UPDATE

2.1 There are eight CCGs involved in the 2021 GM procurement with only three collaborating for all three services.

	Age Related Hearing Loss	Non Obstetric Ultrasound	MRI (head and neck)
Bury CCG	Y	Y	
Heywood, Middleton and Rochdale CCG	Y	Y	Y
Manchester CCG	Y	Y	Y
Oldham CCG	Y	Y	
Salford CCG	Y	Y	
Stockport CCG	Y	Y	
Tameside and Glossop CCG	Y	Y	Y
Trafford CCG	Y		

2.2 Tameside and Glossop Health Care Advisory Group (HCAG) confirmed they wanted to maintain choice for the population and had no issues with an AQP procurement or a non AQP procurement as long as choice was part of the procurement. Following discussion at GM DoCs when the procurement options were discussed in line with the advice of the NHS Standard Contract Manager and Engagement Lead for NHS England and NHS Improvement (Appendix 1) the procurement method for each service was agreed as:

NOUS Service	MRI Service	Age Related Hearing Loss
Non-AQP	Non-AQP	AQP

2.3 GM DoCs agreed that NHS Salford would lead on the procurement on behalf of all parties with GMSS providing the procurement expertise. A GM Commissioner group was convened to progress the procurement and involved Quality, Finance and Contract representation from NHS Tameside and Glossop alongside the Strategic Lead for Ageing Well and Assurance who leads commissioning for these services.

2.4 The draft service specifications for each service were reviewed by HCAG with the inclusion of an ear wax removal option within the Age Related Hearing Loss specification being identified as a key improvement. This would remove the need for people to be asked to go back to the GP before the assessment could be completed due to the presence of ear wax.

2.5 Prior Information Notices (PIN) and market engagement events have been held for each service. This allowed current and potential providers to give feedback on the service specification and the service in general. The Age Related Hearing Loss event was prior to COVID-19 in February 2020 and so was held in the traditional way. It had a high turnout being attended by 16 organisations. The event for NOUS and MRI in September 2020 was virtual and was also well attended involving 15 organisations. The feedback received from each has been noted and reflected in the specifications and used to develop the quality and KPI expectations and develop the tariffs where appropriate.

2.6 The GM Commissioner group has collectively agreed the procurement documentation and for Tameside and Glossop this has also been shared with STAR. STAR have confirmed all is compliant from a procurement perspective. The group has agreed the representatives for the evaluation panels across the commissioners. The aim is to ensure consistency through subject panels rather than panels being solely aligned with each service. Tameside and Glossop representatives are involved in the Finance, Quality and Service Specification panels (MRI, and Age Related Hearing Loss).

2.7 The timeline for the procurement is

Procurement Phase (OPEN Procedure = 30 days) - Publish ITT - Respond to bidder clarification questions	18 Jan - 17 Feb 2021
Tender Evaluation and agree Shortlist - Quality evaluations - Financial model evaluation - Moderation meeting (agree scores and identify Shortlist)	18 - 26 Feb 2021
Internal sign-off across CCGs - Agree award recommendation - Award recommendation report	w/c 1 Mar 2021 w/c 8 Mar 2021
Standstill Period (10 days) - Issue outcome letters to bidders, field queries if required	24 May - 3 Jun 2021
Award Contract - Issue award confirmation letter - Contract completion and signing	3 Jun 2021
Mobilisation Period (3 months) - Initial mobilisation meeting - Mobilisation plan - Contract Information and Management Pack	3 Jun 2021 - 31 Sep 2021
Contract Go Live Date	1 Oct 2021

3 FINANCE

3.1 NOUS and MRI have a National Tariff but there is no National Tariff for Age Related Hearing Loss. All three services are eligible for CQUIN payments.

3.2 The finance representatives have agreed the following Tariffs and terms, including CQUIN arrangements and MFF application.

	NOUS Service	MRI Service	Adult Hearing Service
CQUIN	Y	Y	Y
Tariff	National Tariff	Local Tariff (Previously NT)	Local Tariff
Unit Cost			
Abdomen	41		
Abdomen & Pelvis	51		
Magnetic Resonance Imaging Scan of One Area, without Contrast, 19 years and over		105	
Magnetic Resonance Imaging Scan of Two or Three Areas, without Contrast		131	
Magnetic Resonance Imaging Scan of more than Three Areas		158	
Assessment Only			51
Fitting 1 Aid			305
Fitting 2 Aids			403
Delayed Fitting Second Aid			98
Replacement Hearing Aid			71
Annual aftercare and review			24

Tariff Procurement Terms:

Non-AQP NOUS – This is at national tariff level which based on 19/20 tariff this is still a reduction. CQUIN will be on top of this and inflation will be at national tariff levels.

Non-AQP MRI – The proposed local tariff will be inclusive of CQUIN and MFF is not applicable. MRI scans will be a local tariff however GM are inviting bids up to national tariff with a 1% year on year increase or national tariff uplift whichever is lowest, for the term of the contact.

AQP Audiology - The local tariff proposal is based on 17/18 tariff plus 3.4% uplift. This will be inclusive of CQUIN and MFF will not be applicable to this contract. A 1% uplift or national tariff uplift, whichever is lower will be applied to the contract.

All of these tariff proposals are lower than current prices T&G have in place with its current suppliers.

3.3 For NHS Tameside and Glossop the adoption of these tariff arrangements means that we will benefit from a future price reduction during 2021/22 across all three service areas. The work of the GM finance representatives has been to drive down the price as much as possible for sustainable services and use the GM purchasing power.

3.4 From a finance perspective it is important that T&G remain part of the GM procurement to benefit from the unit price reductions. If T&G went out to procurement alone, it is unlikely we

would be offered these tariff prices and would use up staff resources to carry out a procurement and delay these future benefits.

4 RECOMMENDATION

4.1 As set out on the front of the report.

APPENDIX 1

Advice on Moving away from AQP Procurement

Advice was sort from the NHS Standard Contract Manager and Engagement Lead for NHS England and NHS Improvement. The advice give is below:

Although the use of an “Any Qualified Provider” approach to the commissioning of certain community services was mandated by the Department of Health for PCTs many years ago, there is no mandatory requirement, in current national guidance to the NHS, for CCGs to adopt an “AQP” approach to the commissioning of specific services.

Clearly, in situations where the legal right of choice of provider applies, CCGs will need to ensure that their contractual arrangements with providers enable this, whether by placing contracts with providers directly or by paying for patients referred on a “Non-Contract Activity” basis. In practice, this amounts to something fairly equivalent to an AQP approach.

In terms of the services that are being considered, NHSE advised that the legal right of choice of provider does not apply to hearing services but does apply for other diagnostic tests such as MRI or ultrasound where these are being offered as a first outpatient appointment, rather than as something a hospital doctor may decide a patient needs once he/she has been seen in clinic.

So, depending on the clinical pathway in place locally, GM may have to continue to adopt an AQP-equivalent approach for MRI and ultrasound, in order to enable the legal right of choice of provider.

For other services not subject to the legal right of choice, there is a more general duty in legislation on CCGs (section 14V of the NHS Act 2006) which says that "Each clinical commissioning group must, in the exercise of its functions, act with a view to enabling patients to make choices with respect to aspects of health services provided to them". Any CCG will need to be seen to be acting in a way which is consistent with this duty.

A reasonable starting position, other things being equal, will probably be that patients will benefit from continuing to have a wide choice of providers of hearing services. So, if the CCGs in Greater Manchester are considering moving to a different approach, restricting patient choice and awarding contracts to a more limited number of providers, then they should ensure that they have a good (and public) rationale for doing this, in terms of patient benefit and/or value for public money.

If their rationale is seen to be weak, they will lay themselves open to challenge, either by patient groups or by providers who fear that they are going to be excluded from the market without good reason.