



SUPPORT FOR PRIMARY
EYE CARE DEVELOPMENT

Advice note

Commissioning made simple



LOC SUPPORT UNIT

ADVICE NOTE #1

Available on line at www.locsu.co.uk

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Commissioning Made Simple

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It is important that LOCs understand the commissioning process from the PCT or Health Board's point of view. It is only by understanding the pressures that commissioners work under and what their criteria for success are that LOCs can tailor their tenders to "push the right buttons".

Department of Health Definition of Commissioning

Commissioning in the NHS is the process by which the NHS ensures the health and care services provided most effectively meet the needs of the population. It is a complex process with responsibilities ranging from assessing population needs and prioritising health outcomes, to procuring products and services, and managing service providers.

The Commissioning Process – a nine point plan

Strategic Planning

Planning is at the heart of the commissioning process. The PCT devises strategies e.g. eye care strategies which specify



outcomes and set out areas for change over a period of several years. Strategies are agreed by the PCT Board and guide year on year PCT commissioning and operational planning. Planning of all health care services is governed by laws which require

the PCT to involve patients and the public in developing all their plans and strategies and consult with local Council Health Overview and Scrutiny Committees on any proposed significant changes.

Assessing Needs

The health and health care service needs of the population served by the PCT are assessed in a number of ways. This includes needs assessment and research carried out by the Department of Public Health and latest information on evidence of best practice and effectiveness.

Reviewing Current Service Provision

The PCT will take a view on whether the existing level of service provision best meets the above needs in terms of value for money, quality and accessibility. If not, requests for service change may be discussed with providers or services may be tendered to find an

alternative provider. The NHS has been moving towards extending the range of NHS, independent, third sector (eg voluntary agencies) providers over the last few years.

Deciding Priorities

The PCT has a cash limited sum provided by the Department of Health to commission a comprehensive range of services to meet the needs of its population. Clearly the PCT cannot always afford everything it or its population would like because the PCT has a legal duty not to overspend the budget provided. This means that the PCT needs to prioritise some services over others, usually according to the biggest health gains for its population.

Design Services

In the case of a service which is not best meeting the population's needs it may be necessary for the PCT to work together with the provider or providers to redesign the service

model. Sometimes brand new services are commissioned and these also need to be designed together with partners including patients and the public. Once a service has been designed or redesigned, the PCT will specify outcomes to be achieved and may wish to tender the service in order to ensure the best provider is procured.

Shape the structure of supply

It is important for the PCT to make its best estimate, together with partners, of the quantity of activity required to meet the population's needs. This has become particularly important in order to hit government targets of patients seen and treated within 18 weeks from GP referral. The estimates of activity are also important to set out in contracts with providers in order to make sure the budget will cover all the activity required and may lead to further prioritisation – see above.

Manage demand and ensure appropriate access to care

As mentioned above, the PCT needs to stay within its cash limited budget and therefore the level of activity estimated cannot be exceeded or additional costs may be incurred which the PCT cannot afford, which may lead to it breaching its breakeven duty. Protocols and thresholds for referral of patients need to be clear and monitored to ensure that those patients most in need are getting the treatment they need, in the right place from the right professional within the PCT's budget limits.

Clinical decision making

For some time, government policy has been to ensure that clinicians are at the heart of decision making at all steps in the commissioning process. Practice based commissioning is one of the main vehicles for making this a reality. All PCTs have a clinical executive to

advise on PCT decisions, which is made up of a number of clinicians from different backgrounds. In some PCTs the clinical executive includes an optometrist. In addition, sometimes it is necessary to commission a special service on a named patient basis. There will usually be a panel of experienced clinicians to ensure that the right clinical decision is made and that the cost of the service will produce a health benefit for the patient.

Managing performance (quality, performance, outcomes)

It is important for the PCT to continually monitor providers to ensure that the outcomes specified in service specifications are being met and that activity is broadly in line with assumptions. There are also a number of ways in which the PCT monitors the quality of the service including patients' views and clinical governance. If a service is falling below the

specified and minimum standards, the PCT is likely to agree a recovery plan with the provider and monitor this to ensure improvement. Where improvement does not occur, the PCT may wish to tender the service to secure a provider that can meet the specification.

Cash limited budget

The PCT, as the responsible commissioner of health care for its population receives a cash allocation from the Government via the Department of Health. This budget is calculated using a weighted capitation formula which takes into account the number of people in the PCT population and then adjusts this for health and demographic indicators eg number of older people. The budget is to enable the PCT to secure a comprehensive range of health care services and services for improving health (eg smoking cessation) for its population. Typically a PCT serving 300,000 population will receive

approximately £400M per year (07/08 prices). Nearly half of this budget will be used on commissioning acute hospital care together with tertiary and specialist care. The remainder will cover mental health services, services for people with learning disabilities, community and intermediate services, ambulance services and primary care (GPs, prison healthcare, prescribing, dentistry and optometry). The PCT pays for most secondary (hospital) care by means of a National Tariff, which sets out the price of each activity eg an outpatient appointment – initial visit or follow up or surgical procedure.

Practice Based Commissioning

GP practices are one of the main determinants of health care utilisation and they have a major influence on what care a patient receives and how a patient exercises choice. Practice based commissioning is the process by which GPs and practices work

together to influence the PCT's decision making process on commissioning. This is accompanied by the setting of indicative budgets for practices and groups of practices in order to give them greater control over resources, offering them the opportunity to respond better to local need. The PCT



retains overall accountability for what practice based commissioners do and also acts for the practices in procuring care which will deliver the services that the practice based commissioner has said they want.

World Class Commissioning

This is a new programme, set out by the Department of Health, which sets out to transform the way health and care services are commissioned. It is intended that world class commissioning will deliver a more long-term approach to commissioning services with a clear focus on improved health outcomes. There are four key elements to the programme: a vision for world class commissioning, a set of competencies, an assurance system and a support and development framework.

In summary

Commissioning in the NHS is the process by which the PCT uses, and stays within, its cash limited budget to procure the appropriate range of health care and health improvement services for its population. Commissioning should involve clinicians at every stage of the decision making process and the

principal way this is achieved is through practice based commissioning. The government and Department of Health are keen to improve the way in which the NHS commissions health care services and has introduced the World Class Commissioning programme to help achieve this.





LOC Support Unit
61 Southwark Street
London SE1 0HL

Georgina Gordon
Head of the LOC Support Unit
georginagordon@locsu.co.uk
020 7202 8151

Alan Tinger
Chairman LOC Support Unit
alantinger@locsu.co.uk
07976 842 373

Executive Assistant
info@locsu.co.uk
020 7202 8156