

SUNDERLAND APMS PROCUREMENT

REPORT OF CHIEF OFFICER SUNDERLAND CCG

1. Purpose

The purpose of this report is to update the committee on NHS Sunderland Clinical Commissioning Group's (SCCG) decision to re-procure three Alternative Provider for Medical Services contracts in Sunderland which were due to terminate in the contract year 2015/16.

2. Background

2.1 The majority of primary medical service contracts held by GP practices in England and Wales are open-ended. There are however some newer contracts that are time-limited.

2.2 Encompass Healthcare, Pennywell Medical Centre and Barmston Medical are GP practices which deliver essential, additional and enhanced services to a registered list of 13,541 patients (as at 01 July 2015) under individual Alternative Provider for Medical Services (APMS) contracts. After a number of contract extensions the practice contracts were due to terminate on 31st March 2016. The Encompass Practice was provided by Dr Liston and the 2 other practices were provided by Intrahealth Ltd.

2.3 In line with NHS England policy entitled, '*Managing the end of time-limited contracts for primary medical services*', a service review was carried out for the three individual APMS practices. A continued need for services was identified.

2.4 A report was presented to the Primary Care Commissioning Committee of SCCG on 16 July 2015 to consider the options to secure continuity of primary medical services for patients of the three practices. The Committee decided to re-procure **one** APMS contract with three sites.

3. Procuring one APMS contract with three sites

3.1 The CCG proposed to commission a **single** APMS contract for the 13,541 patients currently registered, as well as new patients, to be provided from the following sites:

- Galleries Health Centre, Washington Town Centre
- Barmston Medical Centre, Westerhope Road, Barmston
- Pennywell Medical Centre, Pennywell Shopping Parade, Pennywell

3.2 The benefits of this procurement model include:

- registered patients would be able to attend any of the sites for services, increasing choice of access; whilst **each site** would retain GP clinics each day Monday to Friday

- sustaining service provision through economies of scale - staff would be able to work across three sites;
- reducing variation in quality of care through one provider delivering primary medical services across 3 sites;
- increasing the opportunity for potential providers to attract staff and deploy a wider skill mix, which is relevant with current recruitment difficulties in Sunderland in the current and medium term;
- the size of contract (registered list size of 13,541) may make it more attractive to bidders to tender;
- supports national strategy of larger practices to ensure sustainability. There has been a national move to an equal funding rate per patient for all GP Practices irrespective of contract type over the next few years. (Currently these 3 practice contracts attract a much higher rate per patient than in all other practices in Sunderland.)

3.3 The plan was that the new contract would start 01 October 2016, enabling time for engagement with patients and stakeholders, the tender exercise and then 6 months for mobilization of a new contract. Both providers had agreed to extend their current contracts by 6 months from April – September 2016 to enable this process to happen.

4. Engagement

4.1 The CCG was of the view that the proposal to re-procure the APMS contracts did not constitute a significant variation of NHS services as GP services will continue to be delivered in the three sites: The Galleries, Westerhope Road and Pennywell Shopping Precinct. However, in the spirit of section 242 and 244 of the NHS Act 2006 (as included in the Health and Social Care Act 2012), the SCCG wanted to engage with the affected patient population and stakeholders about the procurement.

4.2 During September and October 2015, the SCCG carried out a communications and listening exercise with patients and stakeholders. We used a range of methods to capture views and experiences as well as suggestions, questions, comments and concerns.

4.3 We wrote to patients registered with Encompass Healthcare, Pennywell Medical Centre and Barmston Medical practices to give them information and answer any questions, to reassure them that commissioned services would continue to be provided and noted we would take account of any feedback in the procurement process. All registered patients received a letter explaining the procurement process together with a patient information sheet, survey and invitation to attend drop-in sessions and /or comment on line or in writing. Briefings were also made to a range of stakeholders and information sessions held for Councillors from Washington and the West localities as well as information to the Scrutiny Committee.

4.4 Following the engagement the CCG wrote formally to patients to let them know all the questions asked and comments made, along with answers to any

questions raised. The outcomes of the engagement were also shared with the Primary Care Commissioning Committee (the decision making body).

- 4.5 The main issues raised by Encompass patients were the inclusion of telephone triage/consultations in the new contract and not losing the quality of service. For Barmston and Pennywell patients, waiting times and continuity of care through the use of locums were issues. Patients were also seeking assurance on the procurement process and ensuring quality and continuity of care from the new provider and that finance would not take precedence over quality in the decision to award to a provider.
- 4.6 In mitigation of these issues, the committee agreed the recommendation to ensure telephone triage/consultation is included in the contract. Also quality accounts for 95% of the evaluation criteria and all providers will receive the same amount of money irrespective of their bids as it is a set fee per patient. Giving security to the new provider via the procurement process and length of contract was intended to address the continuity of care/waiting issues.
- 4.8 The rationale for the single contract was previously debated by the Committee, when the advantages and disadvantages were considered for all procurement models. None of the comments made added any new considerations that had not been part of the original debate. The Committee therefore agreed to continue to progress the procurement as per the original timeframe.

5. Timescale

5.1 Table 1 shows the original planned key milestones and timescales

Milestone	Description	Date
Listening and engagement	Inform and capture views of directly affected patients and stakeholders	October 2015
Advert	Market being informed through publication of tender advert	November 2015
Contract award	Official sign off of contract to successful bidder	March 2016
Mobilisation	Mobilising the contract following award	April 2016 – September 2016
Service start	Service in place	01 October 2016

5.2 However, shortly after the engagement exercise concluded, we became aware that the current providers had not signed the contract variation to extend the contracts by 6 months and wanted to meet the CCG to discuss options. Meetings were held with both providers, and whilst the CCG was willing to listen and consider their concerns, the focus was on the need to have services in place between April and September 2016 for patients. Providers' views would be captured as part of the formal procurement process, ensuring a fair process for any potential provider. The Primary Care Committee were of the view therefore that the tender exercise needed to continue, therefore an emergency procurement had to be put in place for 6 months.

- 5.3 Expressions of interest were sought from the local GP Federations and the current providers in the first instance to provide services across all 3 practices with the current full budget, enabling all the current employed staff to transfer to the emergency provider. Two expressions of interest were received, one from the GP Alliance and the other from Intrahealth Ltd. Whilst both providers were deemed able to provide the service, the emergency contract was provided to Intrahealth Ltd in early January 2016 as it was felt they would be better able to mobilise the service in the limited time available, with less risk/destabilisation to patients and staff, as they were the current provider of 2 of the 3 practices. So in reality the only change would be to the provider of the Encompass practice in the 6 month emergency period and all patients would continue to be able to access GP practices in the three areas affected.
- 5.4 The patients of the Encompass practice were informed of the temporary change of provider to take effect from 1.4.16 until the 30.9.16. The letter (attached) noted patients did not need to do anything but they could contact Health Watch if they had any issues. As of 24.3.16 approximately 30 patients contacted Health Watch and 5 patients contacted the CCG. The majority of patients wanted reassurance that their practice was continuing and the services were not changing and this reassurance was provided.
- 5.5 Mobilisation meetings have been taking place with Intrahealth Ltd since the emergency contract was awarded to ensure they were ready to take on the Encompass service from 1.4.16. Further work is planned to take place with their engagement officer to follow up the communication process with patients as they take on the contract.

6. Outcome of Tender Process

- 6.1 In relation to the original tender for the one contract, this was advertised from 4.1.16 to avoid the Christmas holidays with a closing date of 12.2.16. One bid was received which was out with the tender value and therefore could not be assessed. This presented an opportunity for the CCG to review the procurement strategy and members of the Committee met to review informal and later formal feedback from those providers that had expressed an interest in tendering.
- 6.2 As a result a couple of key changes were made to the procurement strategy that should make it much more attractive to the market:
- To extend the contract from 5 years to 9 yrs. with the option for a further 2 years (11 yrs. in total) – this had been the original CCG preference but there had been issues with NHS England processes for supporting this length of contract
 - To clarify the expectations around the timing of GP clinics on each site, as this had led to some provider confusion. The clarification should lead to much greater ability for Providers to provide GPs within the cost envelope. Clinics to be available on each site mainly between 8am - 6.30 Monday to Friday.

- To extend the transitional funding support from 2 years to 5 years in line with timeframes for transitional support for national funding changes for other GP practices (those with contracts held in perpetuity). This was now possible as the longer term contract had been secured.

6.3 As the CCG had agreed an original timeframe that enabled a long mobilization period of 6 months, this meant that a revised tender process could be progressed within the same time frame and without needing a further extension, and still enabling a 3-4 month mobilization period for any new provider. The revised tender notice was issued 10.3.16, and the closing date is 13.4.16 with a contract award to be made from 7.6.16.

7. Recommendations

7.1 The Scrutiny Committee is asked to note the update on the SCCG decision to re-procure three Alternative Provider for Medical Services contracts in Sunderland.

Glossary of Terms

CCG – Clinical Commissioning Group

APMS – Alternative Provider Medical Services (APMS)

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