



ROCHDALE
BOROUGH COUNCIL

**Council Savings Proposals for
2020/21 – 2021/22
Supplementary papers for Cabinet
12th February 2020**

(For Information Only – Proposals submitted to Integrated Commissioning Board for approval)

Report to Integrated Commissioning Board



Date of Meeting- 28/01/20	Lead Member- Iftikhar Ahmed
Portfolio- Adult Care Efficiency Savings	Lead Officer- Helen Murphy
Report Author- Helen Murphy	
Private Document	

**Adult Care Operations – Service Delivery
Charges for Full Cost Payers (Efficiency Programme)
Consultation Outcome and Recommendations**

Executive Summary

- 1.1 To support the Council's requirement to deliver a balanced budget for 2021/22 a Savings Programme Report was approved for consultation at the October 2019 ICB. Members were asked to consider the proposal to introduce new charges to maximise income to the Service:
- Introduce an administrative ('arrangement') charge for full cost payers of £10 per week for managed budgets; and
 - £5 per week for cash budgets (where administration costs are lower).
- 1.2 It was proposed that the new charge is introduced to maximise income to the Service (Total net saving of £29k).
- 1.3 The proposal has undergone public consultation as part of the Savings programme 2020/21 – 2021/22.

Recommendation

- 2.1 It is proposed that following the consultation period the Savings Proposal regarding charges to full cost payers is not implemented.

Reason for Recommendation

- 3.1 Legal advice was received which advised that an arrangement fee could not be charged to full cost payers in a residential setting. In addition a recent decision has resulted in full cost paying cash budget recipients being removed from Adult Care systems. Therefore, the potential income from this proposal has significantly reduced.

- 3.2 The response to the public consultation was significantly negative. We would propose that the reputational risk to the Council by implementing this proposal outweighs the potential savings that can be realised.
- 3.3 14 individual responded to the consultation:
- 2 individuals stated they 'neither agreed nor disagreed' with the proposal;
 - 5 individuals stated they disagreed with the proposal; and
 - 7 individuals stated they strongly disagreed.
- 3.4 A key concern from the feedback was that the most vulnerable individuals in receipt of social care would have to pay more. This is not in line with the proposed charge which includes only those which have savings above the Department of Health capital threshold of £23,250 or significant weekly income.

Key Points for Consideration

- 4.1 The potential savings realised from the proposal are significantly reduced due to exclusions (cash budgets and those in a residential setting).
- 4.2 The reputational risk attached to this savings proposal is high; however the return on investment regarding savings is relatively low.
If we do nothing we will need to find an additional £29 K in alternative savings
- 4.3 which will be a pressure to the system and a risk to balancing the budget if not found.

Costs and Budget Summary

- 5.1 The table below shows the proposed savings which were included in the original savings proposal.

	Savings 2020/21 £k		Savings 2021/22 £k		Total savings £k	
	On-going	One off	On-going	One off	On-going	One off
Employees						
Other Costs						
Income lost						
Net savings						
Additional income generated	54				54	
Total savings	54				54	
Implementation costs		-10				-10
Admin costs	-25				-25	
Total savings minus investment	29	-10			29	-10

- 5.2 Taking into account the potential exclusions from the proposal, the proposed savings attached to this project for 2020/21 now equate to £20,000

Risk and Policy Implications

- 6.1 Reputational risk to the Council if the proposal is implemented.
6.2 If the proposal is not implemented then there is a risk to balancing the budget in 2020/21

Consultation

- 7.1 We have undertaken a public consultation around the proposed changes. The results of the consultation can be found within the background paper 8.1.

Background Papers	Place of Inspection
<p>8.1 Charges to full cost payer public consultation results.</p>  <p>Charges to Full Cost Payers Consultation Fi</p> <p>8.2 Pre Consultation savings proposal</p>  <p>SERVICE CHANGE - ASC21005 - S128 - C</p>	

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Post consultation report to the ICB



Date of meeting: 28th January
2020
Portfolio: Adult Social Care
Report Author: Mike O'Keeffe
Head of Commissioning
(Mental Health & Learning
Disabilities)

Proposal Title	Adult Care Commissioned Day Service
Proposal No.	ASC21009 / S49.
Proposal Type	Service Delivery
Directorate	Adult Social Care
Service Area	Adult Care Operations

Recommendation

- 1.1 Members are asked to approve the proposal to:
- Move day service payments to the provider portal.
 - Pay day service providers for actual attendance only, which is in line with other community care services such as Homecare.
- 1.2 Members are also asked to note the issues raised by day service providers during the consultation process that are linked to fees and that are addressed in the separate Adult Care Fees Report to this Board:
- Day service inflationary uplifts to be applied from the beginning of April as opposed to the current system that increases payments at the point of a person's annual Care Act review.
 - Introduction of a banded fee system for day services based on need levels high, medium & low

Reason for Recommendation

- 2.1 Day services are mainly used by people with learning disabilities and is the only service that is paid for on the basis assessed care and not what is actually delivered. Other community care providers are paid on actual delivered care and to ensure equity across the client group and service spectrum the proposal is to make payments on actual delivered care and support.

- 2.2 The provider portal is now well established as a modern payment system for community care services. Day service providers are currently paid on an automated payment system which pays on assessed needs. To implement the proposal to pay on actual delivered care a system change to the portal is required to efficiently process payments.
- 2.3 The additional recommendation, following consultation with providers, to apply day service rates from the beginning of the financial year, as opposed to the current system of application on annual review, has been included in the separate Adult Care Fees report to this Board and mitigates market instabilities that providers identified.

Key Points for Consideration

3.1 **Overview of the proposal**

- Day services will be paid for what is delivered, which brings this in line with all other care and support payments.
- The use of formal day care is expected to decline over the next 5 years for many people. Work will be undertaken with current providers to enable them to meet the changing market demands. We do expect for example that the number of people with profound learning difficulties will increase over the next 5 years and this will affect the type and scope of formal day care we provide.
- We will increase the uptake of community opportunities for socialisation and as a result see a decrease in the need for formal day care.
- Linked to this programme is a technical change to the current RAS algorithm around dementia which will remove unused money allocations. This will have no adverse impacts on current or future service users. No one is expected to see a reduction in service as a result of this change.

3.2 **Overall Impact of the proposed change**

- The proposed change will reduce the amount RBC pays for day services.
- The changes will also lead to work with current day care providers around meeting future demand opportunities.

3.3 **Total savings**

The total savings are £288k which includes £134k saving in 2020/21 and £154k in 2021/22.

Savings represent 12% of the current cost, which is the forecast difference between commissioned and actual spend based on estimated attendance. The table below aligns this to the individual provider based on current market share.

Day Care Provider	12% Annually
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provider 1	£7,433
provider 2	£9,725
provider 3	£149,158
provider 4	£34,719
provider 5	£77,481
provider 6	£985
provider 7	£6,736
provider 8	£1,714
Grand Total	£287,952

3.4 Alternatives Considered

Option 1 do nothing – this option will not produce any efficiency savings and the identified inequality remains. To do nothing also misses an opportunity to promote a shift in approach to modernise day time activities and promote socialisation through emerging community based initiatives.

Option 2 (the recommended option) - Move day service payments to the provider portal and pay day service providers for actual attendance only.

Option 3 – Remodel the day service provision with a view to reducing the number of centers in the borough. This option has been scoped out and would potentially have a detrimental impact on people with learning disabilities using day services and their families.

Costs and Budget Summary

4.1

	Savings 2020/21 £k		Savings 2021/22 £k		Total savings £k	
	On-going	One off	On-going	One off	On-going	One off
Employees						
Other Costs						
Income lost						
Net savings	134		154		288	
Additional income generated						

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Total savings	134		154		288	
Implementation costs		-15		-15		-30
Admin costs						
Total savings minus investment	134	-15	154	-15	288	158

Risk and Policy Implications

5.1 Risk Implications

The key risk is around day service providers receiving less income than planned for which could put their businesses at risk. Mitigation for this will be to pay providers inflationary uplifts in April on an annual basis (included in the Adult care Fees report). This means that providers will benefit from a full year effect of inflationary uplifts; currently they receive partial year uplifts links to service user annual reviews.

5.2 Legal Implications

There are no legal implications arising from this report.

5.3 Equality Impact

An Equality Impact Assessment has been completed and concluded that the changes proposed will not impact on the current services being offered. In essence the current arrangements for service users will remain the same.

Consultation

- 6.1 The changes proposed will not impact on the current services being offered. In essence the current arrangements for service users will remain the same. Therefore there is no requirement for public consultation. However, the Learning Disability Partnership Board, chaired by the Deputy Portfolio Holder for Health & Social Care, will oversee the implementation of the proposal by receiving regular reports on progress.
- 6.2 Consultation has been undertaken with day service providers as part of the annual Adult Care Fees Consultation process with provider organisations. The consultation period started on the 10th December and closed on the 23rd December 2019. A meeting was held on the 10th December where providers were invited to comment on day service proposals and day service fees in general.

- 6.3 Comments regarding the proposal to change the payment system to the portal were received well. As some of the day service providers run Outreach services, which are paid through the portal, providers are familiar with this system.
- 6.4 The main concerns for providers was the proposal to pay on actual services delivered as the view was that their income will be reduced and the nature of the delivery model means that they have to pay staff on the basis of full attendance.
- 6.5 As this exercise was part of the annual Adult Care Fees process the concerns raised will be addressed within the Fees report but essentially the mitigating proposal will be to apply inflationary uplifts to providers at the start of the financial year as opposed to application on an individual service user basis at on their annual review; which for services users across the spectrum is dispersed throughout the year.

Background Papers	Place of Inspection
8. None	N/A

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Stage 5: Signature

Role	Name	Date
Leade Officer		
Approver Signatures		

EIA Review Date:	
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Phase 1 – Initiation/ Case for Change

Project Proposal / Mandate

High Cost Drugs and Homecare Team Review

Version 0.4

January 2019

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Project Name:	High Cost Drugs and Homecare Team Review
Tracker URN:	S085.
Document Author:	Emily Vynne / Keith Pearson
Directorate:	Integrated Commissioning Directorate
Programme:	Savings Programme

Key Roles & Responsibilities

SRO	Karen Hurley
Project Lead	Keith Pearson
Finance Lead	Bheki Thomola
Contract Lead	Nigel Stott
BI Lead	Dan Hurley / Dan Young
Clinical Lead	TBC

Document Location, Revision History, Approval and Distribution

Document Location:

This document is only valid on the day it was printed. The source of the document can be obtained from the Programme Delivery Unit

Revision History

Version	Revision Date	Summary of Changes	Change owner
0.1	05/12/19	First Draft	Emily Vynne
0.2	13/12/19	Medicine Management Input	Keith Pearson
0.3	17/12/19	Finance Input	Bheki Thomola
0.4	18/12/19	Input from Savings Programme Manager & final finance input	Lisa Schofield Bheki Thomola

Approvals

This document requires the following approvals:

Name / Group	Comments	Date	Version
Savings Delivery Board	Submission for approval of pipeline savings scheme	08/01/20	0.4

1. Executive Summary

Will this proposal impact Core/Mandated services?	No
Will the proposal detrimentally impact clinical safety?	No
Does the proposal impact quality?	No

Purpose:

The purpose of this proposal is to provide a formal response to the options appraisal submitted on the 26th November 2019 by Pennine Acute Hospital Trust (PAHT) via the Northern Care Alliance Diagnostics and Pharmacy Group. The purpose of this report is to put forward a recommendation to SDB in relation to the PAHT options appraisal. The options appraisal can be found in Appendix 1.

Overview:

The HCD and Homecare team are currently funded by HMR CCG and were established in December 2016 as part of a NCA agreement with Bury CCG (Lead), Oldham CCG, and Manchester CCG.

The original funding is due to come to an end in April 2020. Therefore, without any further action, the existing HCD and Homecare team will be disbanded. The options are listed below:

- Option 1: Do nothing - Continue with existing arrangements (CCG to fund the HCD and Homecare Team and the team continue with the existing gain share agreements).
- Option 2: Continue with the existing arrangements plus an agreement to move to national reference pricing for Adalimumab.
- Option 3: (Preferred Option) To cease the existing gain share agreements on current biosimilar HCDs (CCG to fund the HCD and Homecare team for 3 years to work on new savings initiatives and newly emerging biosimilar drugs).
- Option 4: Cease the existing biosimilar gain share agreements and CCG to continue to fund the HCD and Homecare team.
- Option 5: Cease the existing biosimilar gain share agreements and disestablish the HCD and Homecare team.

Recommendation:

The recommendation is for SDB to approve **option 3** - to cease the existing gain share agreements on current biosimilar High Cost Drugs (the savings from this are included in a separate savings paper already submitted to SDB) and for HMR CCG to fund the HCD and Homecare team for three years to work on new savings initiatives and newly emerging biosimilar drugs. It is the new savings initiatives that are in scope of this paper.

Savings:

The initial investment required from the CCG will be for the staffing costs of the HCD and Homecare team, who will be responsible for delivering the new savings initiatives. The total investment required is **£303,111** (made up of £101,037 in year 1, £101,037 in year 2 and £101,037 in year 3).

The expected net saving (once the investment and gainshare is removed) is:

- 20/21 - £0.631k
- 21/22 - £27.639k
- 22/23 - £88.224k
- Total - £116.495k

These savings are additional savings on top of the existing savings schemes for Tocilizumab and Avastin. Approval of this scheme will enable the delivery of these savings.

Risks:

If the proposed savings schemes are not delivered, the staffing costs will result in a net cost to the CCG. The mitigation for this would be close benefits monitoring by the Medicines Management team.

2. Rationale / Case for Change

Regional Context:

The existing High Cost Drugs and Homecare Team at PAHT was established in December 2016 across the Northern Care Alliance, including HMR CCG, Bury CCG (Lead), Manchester CCG and Oldham CCG. An investment of £2.3m was put forward for the financial year 2018/19 to ensure improvements to the safety and governance of High Cost Drugs and homecare procedures across the GM region.

Local Context:

HMR CCG agreed to fund the High Cost Drugs and Homecare team as an invest-to-save agreement along with the other CCGs listed above. The initial investment enabled the team to conduct reviews with patients receiving high cost drugs, where a biosimilar drug was now available on the pharmaceutical market. The investment ensured that a gain share agreement for the biosimilar drugs was implemented and it should be noted that the biosimilar gain share agreements are due to cease at the end of this financial year.

3. Proposal

This proposal aims to present the Savings Delivery Board with an options appraisal which should be considered regarding the continuation of funding for the High Cost Drugs (HCD) and Homecare team. The HCD and Homecare team are currently funded by HMR CCG and were established in December 2016 as part of a NCA agreement with Bury CCG (Lead), Oldham CCG, and Manchester CCG.

The review of the HCD and Homecare team is required because the original funding is due to come to an end in April 2020. Therefore, without any further action, the existing HCD and Homecare team will be disbanded.

The recommendation to continue to fund the HCD and Homecare team would ensure that new savings initiatives can be explored and delivered by PAHT as part of a NCA agreement with Bury CCG, Oldham CCG and Manchester CCG. Bury CCG will lead on this savings proposal.

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The potential savings would be realised through a combination of biosimilars as well as some HCDs moving from an IV form within the acute setting to a subcutaneous form which could be self-administered by the patient in their home or homecare setting.

In order to progress with the recommendation to continue funding the HCD and Homecare team, an invest-to-save would be required. The figures shown in section 5 of this report, outline the required investment costs to cover the staffing costs for a period of three years.

There are some interdependencies of this savings proposal which are detailed below:

- **Biosimilar Gain Share Agreements (£71.)** – The current HCD and Homecare team are responsible for the delivery of the existing HCD biosimilar gain share agreements. A separate savings proposal was previously submitted to SDB and is currently in the implementation phase. The outcome of this savings scheme is to cease the existing gain share agreements for three HCDs by the 23rd December 2019. Therefore, this will no longer be part of the scope for the HCD and Homecare team going forward.
- **Tocilizumab Self-Administration (£70.)** - A separate savings proposal was previously submitted to SDB and is currently in the implementation phase. The outcome of this savings scheme is to promote the use of Tocilizumab that can be self-administered by patients at home or in a care home setting in the subcutaneous injection form. The savings for this are £328k which is also included within the PAHT proposal. The savings have therefore been removed to avoid a double count.
- **Avastin High Court Judgement** – A decision has been made regarding the high court judgement and communication is imminent. The outcome of the high court judgement will then determine if the HCD team will implement Avastin. This is already part of the approved savings programme.

4. Cost vs. Activity Analysis

The table below provides an overview of the High Cost Drugs which are in scope of this proposal, the current cost and the anticipated gross savings.

Name of High Cost Drug	Total Cost YTD 2019/20	Total Forecast Outturn 19/20*	Proposed Gross Savings 20/21	Proposed Gross Savings 21/22	Proposed Gross Savings 22/23	Totals
Methotrexate (Change in Homecare Provider)	£168,177	£288,303	£40,060	£40,060	£40,060	£120,180
Teriparatide (Biosimilar)	£13,322	£22,837	£8,222	£8,222	£8,222	£24,666
Vedolizuma (IV to SC form)	£144,069	£246,975	£24,021	£48,042	£48,042	£120,105
Certolizumab (Biosimilar)	£259,545	£444,934	£0	£0	£121,170	£121,170
Infliximab (IV to SC form)	£164,651	£282,258	£29,996	£59,991	£59,991	£149,980
Total	£749,764	£1,285,307	£102,299	£156,315	£277,485	£536,101
Investment (HDC Team)			£101,037	£101,037	£101,037	£303,111

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Net Saving			£1,262	£55,278	£176,448	£232,990
50/50 Gainshare			£631	£27,639	£88,224	£116,495

*The forecast outturn for 2019/20 is based on the YTD costs from April – October 2019 and these figures do not take into account any seasonality.

5. Options Appraisal

Option	Benefits	Risks
Option 1 (Do nothing) Continue with existing arrangements (CCG to fund the HCD and HomeCare Team and the team continue with the existing gain share agreements).	None.	Most patients have already been transferred onto the biosimilar drugs, therefore staffing costs for the HCD team will continue but the savings realisation will be limited.
Option 2 – Continue with the existing arrangements (CCG to fund the HCD and HomeCare Team and the team continue with the existing gain share agreements) plus an agreement to move to national reference pricing for Adalimumab.	None.	The reference price for Adalimumab is already higher than the actual price of the drug. The gain share agreement for Adalimumab has already been submitted with a view to ending by the end of 19/20.
Option 3 (Recommended) – To cease the existing gain share agreements on current biosimilar HCDs (CCG to fund the HCD and Homecare team for 3 years to work on new savings initiatives and newly emerging biosimilar drugs).	The net savings would be £116,495	Financial investment on an invest-to-save agreement will be required.
Option 4 – Cease the existing biosimilar gain share agreements and CCG to continue to fund the HCD and Homecare team.	The CCG will received 100% of the financial benefits instead of 50% which is currently received through the gain share agreements.	The CCG will be required to continue funding the HCD and Homecare team but no further savings with be achieved.
Option 5 – Cease the existing biosimilar gain share agreements and disestablish the HCD and Homecare team.	No future financial investment required.	This would go against the local climate across GM as there is a high uptake of HCD and Homecare services across the GM footprint. No savings will be realised.

6. Required Resources & Enabler Support

The HCD and Homecare team will be required to deliver the proposed savings schemes. The team currently consists of:

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- 0.2 WTE Pharmacist Band 8b
- 1.0 WTE Pharmacist Band 8a
- 1.0 WTE Pharmacist Band 7
- 1.0 WTE Technician Band 6
- 2.0 WTE Administrators Band 3

If the recommendation of this proposal is supported by SDB, a full review of the existing staffing structure will be carried out to ensure the current staffing is sufficient to support the implementation of the proposed savings schemes.

7. Recommendation

The recommendation is for SDB to approve **option 3** - to cease the existing gain share agreements on current biosimilar High Cost Drugs (the savings from this are included in a separate savings paper already submitted to SDB) and for HMR CCG to fund the HCD and Homecare team for three years to work on new savings initiatives and newly emerging biosimilar drugs. It is the new savings initiatives that are in scope of this paper.

8. Appendices

a. Equality Impact Assessment

Not required.

b. Supporting Policy Documentation

1. Pennine Acute High Cost Drugs and Homecare Team Options Appraisal:



PAHT High Cost
drugs and homecare

2. Activity / Costs Data:



High Cost Drugs -
2019-12-09.xlsx