

February 2018

PSNC Briefing 011/18: Refreshing NHS Plans for 2018/19

The NHS already has two-year contracts and improvement priorities set for the period 2017/19. These were based on the NHS Operational Planning and Contracting Guidance 2017-2019 published in September 2016 and reflected in the March 2017 document [Next Steps on the NHS Five Year Forward View](#).

Given these two-year contracts in place, 2018/19 will be a refresh of plans already prepared. This will enable organisations to continue to work together through [Sustainability and Transformation Partnerships](#) (STPs) to develop system-wide plans that reconcile and explain how providers and commissioners will collaborate to improve services and manage within their collective budgets.

NHS England and NHS Improvement have issued a [joint guidance document](#) setting out the expectations for commissioners and providers in updating their operational plans for 2018/19. This PSNC Briefing summarises the elements of the document that are of most relevance to community pharmacy teams and Local Pharmaceutical Committees.

Financial Framework

Financial framework for CCGs

The resources available to Clinical Commissioning Groups (CCGs) will be increased by £1.4 billion, principally to fund realistic levels of emergency activity in plans, the additional elective activity necessary to tackle waiting lists, universal adherence to the Mental Health Investment Standard and transformation commitments for cancer services and primary care.

Commissioner Sustainability Fund

Where it is agreed that a CCG is unable to operate within its recurrent allocation for 2018/19 it will be required to commit to a credible plan, agreed and aligned at STP level, to deliver a stretching but realistic deficit control total set by NHS England and it will then qualify to access the [Commissioner Sustainability Fund](#) provided it delivers its financial control total.

Provider Sustainability Fund and Financial framework for NHS Providers

£650 million will be added to the £1.8 billion Sustainability and Transformation Fund to create an enhanced £2.45 billion Provider Sustainability Fund, targeted at the same objectives as the existing Sustainability and Transformation Fund. Full details will be published separately via an update to the existing Sustainability and Transformation Fund guidance. To access the performance element, each provider will need to achieve A&E performance in 2018/19 that is the better of either performance against the four-hour standard at 90% or the equivalent quarter for 2017/18.

Underlying assumptions

Local systems are expected to continue to implement the priority efficiency programmes within the [10 Point Efficiency Plan](#). In addition to the moderation of emergency demand, the use of [RightCare](#), elective care redesign, urgent and emergency care reform, medicines optimisation, and more integrated primary and community services are also key areas of focus.

The guidance states that CCGs should assume that the current high level of discretionary prices for generic drugs in short supply will not persist in 2018/19. In 2018/19, CCGs will receive the remaining period of temporary benefit from changes made to Category M generic drug prices designed to recover excess community pharmacy margin from previous years (i.e. the Cat M clawback will not continue beyond 2017/18). Beyond this, no assessment has yet been made of whether upward or downward adjustments to generic drugs prices will be needed in 2018/19 to reflect under or over-delivery of community pharmacy margin delivered in 2016/17 and 2017/18. So no allowance for this should be included in CCG plans.

In December 2017, NHS England issued guidance on [Items that should not routinely be prescribed in primary care: Guidance for CCGs](#). NHS England has also launched a public consultation (closing 20 March 2018) on reducing prescribing of over-the-counter medicines for 33 minor, short-term health concerns, as well as vitamins and probiotics. Depending on the outcome of the consultation, it is assumed this could save the NHS up to £136 million a year. CCGs should consider how to locally implement guidance on the 18 ineffective and low clinical value medicines and consider the potential impact of any developments concerning over the counter medications following the consultation.

Planning assumptions for emergency care and Referral to Treatment Times

Emergency care

Commissioner and provider plans will be expected to demonstrate how they will complete the implementation of the integrated urgent care strategy that was commenced this year, and how sufficient capacity will be available to meet planned activity growth through a combination of additional beds and/or:

- reductions in delayed transfers of care (DTOCs), both in reducing NHS-driven DTOCs and through continuing to work with local authorities (LAs) to reduce social care DTOCs, with the aim of reducing the proportion of beds occupied by DTOC patients to 3.5%
- reductions in average length of stay, including a focus on those patients with the longest length of stay as identified in the stranded patients metrics

To further support progress in these areas and free-up capacity, providers of community services will be invited to participate in a new local incentive scheme in conjunction with their CCG whereby they will be able to reinvest savings from acute excess bed day costs to expand community and intermediate care services. This will benefit 'stranded' and 'super-stranded' patients in particular.

Integrated system working

In 2018/19, it is expected that all STPs take an increasingly prominent role in planning and managing system-wide efforts to improve services. STPs should:

- Ensure a system-wide approach to operating plans that aligns key assumptions between providers and commissioners which are credible in the round;
- Work with local clinical leaders to implement service improvements that require a system-wide effort;
- Identify system-wide efficiency opportunities such as reducing avoidable demand and unwarranted variation, or sharing clinical support and back office functions; and
- Take further steps to enhance the capability of the system including stronger governance and aligned decision-making, and greater engagement with communities and other partners, including where appropriate, LAs.

Integrated care systems

NHS England is now using the term 'Integrated Care System' as a collective term for both devolved health and care systems and for those areas previously designated as 'shadow accountable care systems'. An Integrated Care System is where health and care organisations voluntarily come together to provide integrated services for a defined population.

NHS England will reinforce the move towards system working in 2018/19 through STPs and the voluntary roll-out of Integrated Care Systems. Integrated Care Systems are those in which commissioners and NHS providers, working closely with GP networks, local authorities and other partners, agree to take shared responsibility (in ways that are consistent with their individual legal obligations) for how they operate their collective resources for the benefit of local populations.

Integrated Care Systems are seen as key to sustainable improvements in health and care by:

- creating more robust cross-organisational arrangements to tackle the systemic challenges facing the NHS;
- supporting population health management approaches that facilitate the integration of services focusses on populations that are at risk of developing acute illness and hospitalisation;
- delivering more care through re-designed community-based and home-based services, including in partnership with social care, the voluntary and community sector; and
- allowing systems to take collective responsibility for financial and operational performance and health outcomes.

There are currently eight areas designated as 'shadow' accountable care systems, plus the two devolved health and care systems based on STP footprints (Greater Manchester and Surrey Heartlands). These systems should prepare a single system operating plan narrative that encompasses CCGs and NHS providers, rather than individual organisation plan narratives. The system operating plan should align key assumptions on income, expenditure, activity and workforce between commissioners and providers.

New Integrated Care Systems

The next cohort of Integrated Care Systems will be selected from STPs with:

- strong leadership, with mature relationships including with local government. The leadership team should have effective ways of involving clinicians and staff, the third sector, service users and the public;
- a track record of delivery, with evidence of tangible progress towards delivering the priorities in [Next Steps on the Five Year Forward View](#). These systems should be meeting NHS Constitution standards or provide confidence that by working as an integrated system they are more likely to be recovered;
- strong financial management, with a collective commitment from CCGs and providers to system planning and shared financial risk management;
- shared financial risk management, supported by a system control total and system operating plan;
- a coherent and defined population that reflects patient flows and, where possible, is contiguous with local government boundaries; and
- compelling plans to integrate primary care, mental health, social care and hospital services using population health approaches to redesign care around people at risk of becoming acutely unwell. These models will necessarily require the widespread involvement of primary care, through incipient networks.

As systems make shifts towards more integrated care, they are expected to involve and engage with patients and the public, their democratic representatives and other community partners. Engagement plans should reflect the [five principles for public engagement](#) identified by Healthwatch and highlighted in the [Next Steps on the Five Year Forward View](#).

Timetable

Item	Date
Draft 2018/19 Organisational Operating Plans submitted	8th March 2018
Final Board or Governing Body approved Organisation Operating Plans submitted	30th April 2018
2018/19 winter Demand & Capacity Plans submitted	30th April 2018
Final 2018/19 STP Contract and Plan Alignment template submitted	30th April 2018

Annex 1: 2018/19 deliverables

Annex 1 of the guidance document confirms 2018/19 deliverables drawn from *Next Steps on the NHS Five Year Forward View* and sets out the progress made against them. This provides a useful summary of the key areas that commissioners are focussing on.

If you have queries on this PSNC Briefing or you require more information please contact [Zainab Al-Kharsan, Service Development Pharmacist](#).