

MUNICIPAL YEAR 2013/2014 - REPORT NO.

MEETING TITLE AND DATE
Health and Wellbeing Board
14th April 2015

Report of:

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Agenda - Part: 1	Item: 5
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Subject:

Adjustments To The Better Care Fund Plan Reducing Emergency Admissions Target

Wards: All

Cabinet Member consulted:

Cllr Don McGowan
Cllr Doug Taylor

1. EXECUTIVE SUMMARY

NHS England has issued guidance that the ambition for the level of improvement agreed by CCGs and Councils in Better Care Fund plans should now be reviewed in light of the current operational circumstances.

The original BCF plan required a submission for this ambition with a trajectory partly based on known actual activity and partly on plans contained within the CCG Operating Plan. It is clear that the actual number of emergency admissions has significantly exceeded those assumptions in the BCF Plan.

The initial BCF modelling reduced the initial baseline activity and cost by the minimum 3.5% reduction expected nationally, which resulted in an expected reduction of 908 admissions, at a cost of £1,352,920. (See table 2).

As a result, work was done within NHS Enfield CCG to gauge a new baseline of non-elective admission from the most up to date actual activity. The new baseline therefore covers Q4 2013/14 to Q3 2014/15, and includes all Emergency admissions. The new baseline shows significantly increased levels of activity to the initial baseline. (See table 3).

This report sets out two potential options. The first recalculates the activity baseline and generates a new admissions reduction target based on the existing percentage reduction 3.5% target.

The second option maintains the existing admissions reduction target – which generates a new (reduced) percentage target reduction.

2. RECOMMENDATIONS

The Health & Wellbeing Board is asked to approve the recommendation from the Enfield Integration Board and agree Option 1 (a new target admissions reduction of 1,065 admissions based on the existing percentage reduction 3.5% target).

ADJUSTMENTS TO THE BETTER CARE FUND PLAN REDUCING EMERGENCY ADMISSIONS TARGET

3. BACKGROUND

NHS England has issued guidance ('The Forward View into Action: Planning for 2015/16' and 'Supplementary Information for Commissioner Planning, 2015/16') requiring Area BCF Plans and CCG Operating Plan submissions to be aligned as the local health & social care economy's contribution to the overall Health and Wellbeing Board (HWB) plan to reduce non-elective admissions.

The guidance suggests that the ambition for the level of improvement agreed by CCGs and Councils in Better Care Fund plans should now be reviewed in light of the current operational circumstances, taking into account the broad range of planning factors, including:

- (i) Actual performance in the year to date, particularly through the winter;
- (ii) The likely outturn for 2014/15; and
- (iii) Progress with contract negotiations with providers.

Plans must be credible. It is likely, in light of the rise in emergency admissions we have seen in recent months that many of these ambitions will need to be revised downward. The review should be undertaken within the local BCF partnership and approved by the Health and Wellbeing Board.

There will not be a requirement to resubmit the BCF plan itself, however, it is expected that evidence of local agreement to any changes will be provided through the CCG operational plan.

The payment of a proportion of the £3.8bn mandatory element of the Fund will be linked to the performance of local areas in reducing non-elective admissions in line with the trajectory agreed in their BCF plan. Payments will be made in four quarterly instalments. The first of these will be made in May 2015, based on performance in the fourth quarter of 2014/15.

If the planned level of improvement is reduced, the HWB must also approve a balancing increase in the amount to invest in NHS commissioned out-of-hospital services, in line with the BCF planning guidance (unless that level of investment already exceeds the required minimum).

4. IMPLICATIONS

The original BCF plan required a submission for this ambition with a trajectory partly based on known actual activity and partly on plans contained within the CCG Operating Plan.

It is clear that the actual number of emergency admissions has significantly exceeded those assumptions in the BCF Plan. Therefore, in order to achieve the original target of 3.5% (a reduction of 908 from a total of 25,965 admissions), with an

out turn of 30,463 admissions, the required reduction would now be at 18%. (See table 1).

Table 1:

Original Baseline Activity	25,965
Original Saving Activity	908
Original Target	25,057
New baseline / actual outturn	30,463
Original Target	25,057
Difference /reduced admissions	5,406
% reduction	18%

5. INITIAL BASELINE

The baseline for the initial Better Care Fund Modelling was devised using actual data from Q4 2013/14, and projected levels of activity for Q1-Q3 of 2014/15.

The Q4 data included all Emergency admissions as defined by the nationally mandated Admission Method codes. The data source was SUS.

The projected levels of activity for Q1-Q3 of 2014/15 were based on the same methodology used for NHS Enfield's 5 year planning intentions submitted to NHS England - to reduce the rate of admissions per 1,000 in Enfield to a phased, statistically adjusted, top quartile position in London by 2018/19. Activity was adjusted for seasonality as per the pattern of previous year's activity.

6. INITIAL BCF MODELLING

The initial BCF modelling reduced the initial baseline activity and cost by the minimum 3.5% reduction expected nationally, which resulted in an expected reduction of 908 admissions, at a cost of £1,352,920. (See table 2).

Table 2	Estimate / Plan				
	Q4: 2013/14	Q1: 2014/15	Q2: 2014/15	Q3: 2014/15	Total
Initial Baseline Activity	7,242	6,245	6,127	6,351	25,965
Initial Saving	253	219	214	222	908
Initial Baseline Cost	£10,790,580	£9,305,050	£9,129,230	£9,462,990	£38,687,850
Initial Saving	£376,970	£326,310	£318,860	£330,780	£1,352,920

7. REVISED BASELINE

In light of the known increase in Accident & Emergency attendances and resultant Non-Elective admissions nationally in the last 12 months, NHS England sent a survey to all CCG's on 22nd January 2015 to gauge the potential for local areas to revise their non-elective admissions reduction ambition.

As a result, work was done within NHS Enfield CCG to gauge a new baseline of non-elective admission from the most up to date actual activity. The new baseline therefore covers Q4 2013/14 to Q3 2014/15, and includes all Emergency admissions as defined by the nationally mandated Admission Method codes. The data source again is SUS. The new baseline shows significantly increased levels of activity to the initial baseline. (See table 3).

Table 3	2014 (Actual)			
	Q4: 2013/14	Q1: 2014/15	Q2: 2014/15	Q3: 2014/15
Revised Baseline Activity	7,526	7,830	7,557	7,550
Revised Baseline Cost	£11,213,740	£11,666,700	£11,259,930	£11,249,500

Given the increased baseline, two options were discussed as a potential revision to the non-elective admissions reduction ambition.

8. REVISED BCF MODELLING - OPTION 1

The first option is to keep the minimum expected 3.5% reduction, and apply it to the revised baseline. This would in effect increase the expected level of activity and cost savings, due to the increased activity in the revised baseline.

Option 1 would result in an expected reduction of 1,065 admissions, at a cost of £1,586,850. (See table 4).

Table 4	OPTION 1: Keep The Minimum Expected 3.5% Reduction				
	Q4	Q1	Q2	Q3	Total
Revised Baseline Activity	7,526	7,830	7,557	7,550	30,463
Revised Activity Reduction	263	274	264	264	1065
Revised Baseline Cost	£11,213,740	£11,666,700	£11,259,930	£11,249,500	£45,389,870
Revised Saving	£391,870	£408,260	£393,360	£393,360	£1,586,850

9. REVISED BCF MODELLING - OPTION 2

The second option is to adjust the expected percentage reduction to a level so that the expected activity and finance savings from the initial modelling remain the same.

This results in a reduced reduction percentage of 2.98% to achieve a reduction of 908 admissions, at a cost of £1,352,920. (See table 5).

Table 5	OPTION 2: Activity / Finance Savings Remain the Same				
	Q4	Q1	Q2	Q3	Total
Revised Baseline Activity	7,526	7,830	7,557	7,550	30,463
Revised Activity Reduction	224	234	225	225	908
Revised Baseline Cost	£11,213,740	£11,666,700	£11,259,930	£11,249,500	£45,389,870
Revised Saving	£333,760	£348,660	£335,250	£335,250	£1,352,920

10. CONCLUSION

At its previous meeting in February, the Enfield Integration Board provisionally agreed Option 1 (i.e. that the original target of 3.5% would be applied to the new baseline generating a new target of reducing 1,065 admissions).

It was agreed that this planning assumption would be used for the purposes of submitting the draft Operating Plan (due at the end of February).

11. RECOMMENDATION

The Enfield Health & Wellbeing Board is recommended to approve Option 1.

David Sayers

Acute Commissioning Manager, NHS Enfield CCG

Richard Young

Interim BCF Programme Manager

March 2015.