HEALTH AND SOCIAL CARE MODERNISATION FUND

Lodged au Greffe on 10th September 2002
by the Health and Social Services Committee

STATES OF JERSEY

STATES GREFFE

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PROPOSITION

THE STATES are asked to decide whether they are of opinion -

(a) to receive the report of the Health and Social Services Committee, dated 3rd September 2002, and to agree, in principle, to establish a Health and Social Care Modernisation Fund and that the sum of £10 million should be allocated to the Fund in three equal parts cumulatively;

(b) to agree that the Health and Social Care Modernisation Fund should be used -

- to invest in new drugs, diagnostic and information technology and clinical techniques, to ensure health and social care in Jersey is up to date and comparable with modern services in other countries;
- to provide services that meet patients' current expectations of efficient and high quality care, centred around the needs of patients and their families;
- to invest in community support services, continuing care and improved hospital discharge, in response to the recommendations of independent audit and service reviews;
- to ensure increased patient safety and further develop clinical risk management, clinical audit and quality improvement;
- to maintain a programme of refurbishment, up-grading or replacement of premises and non-clinical equipment;
- to ensure the recruitment of sufficient nurses and other clinical professionals, and to promote education and training so that they keep up to date with current practise and have every opportunity to deliver the highest standards of care to all patients;
- to fund unforeseen eventualities which presently displace planned improvements;

(c) to request the Health and Social Services Committee and Finance and Economics Committee to establish a Modernisation Board to oversee the management and control of the Fund;

(d) to charge the Finance and Economics Committee to identify the appropriate source of funding for the Modernisation Fund as set out in paragraph (a) above.

HEALTH AND SOCIAL SERVICES COMMITTEE

Notes: 1. The comments of the Finance and Economics Committee are to follow.

2. The comments of the Human Resources Committee are to follow.

REPORT

1. The financial implications of health and social care

The States have maintained a policy, adopted in the 1995 Strategic Policy Review *'2000 and Beyond'*, that the Island should have a standard of health and social services comparable with that to be found in neighbouring countries.

However, to keep pace with modern developments in health and social care in neighbouring countries, significant investment in the health and social well-being of the community will be required to provide the level of service which to date islanders have viewed as their entitlement. Other communities, such as France, have already made this level of investment in their health services, and the annual per capita increase in spending on healthcare across OECD countries has outpaced overall economic growth per capita by around 50% over the past decade.

The United Kingdom is about to engage in a substantial investment programme to bring total spending on health alone from 6.6% of GDP up to 9.4% within five years - a planned increase, over and above inflation, of some 43% for the period, which will bring the U.K. in line with European levels of health funding. However, the best current comparison indicates that Jersey spends 4.7% of its gross national income (GNI) on health care (excluding private health insurance).

U.K. Comparators In his 2002 budget speech Chancellor Gordon Brown stated: '*With year on year rises, U.K. health spending will grow from this year by £65.4 billions to £72.1 billions to 79.3 billions to 87.2 to 95.9 billions and then to 105.6 billions in 2007-8: even after inflation a 43 per cent rise over five years. Since 1997, a real terms doubling in health service investment.*' • '***U.K. NHS spending should grow by 7.4 per cent a year after inflation over the five years to 2007-08'*** and • '***to plan for increases in English social services resources in the period to 2006 at 6 per cent a year on average in real terms***.' Over the five year period, up to 2007/08, this investment of 7.4% 'real growth' per annum after U.K. inflation (estimated at approx. 2.5%) equates to an average annual cash increase of over 10% per annum. This totals 43% increase in funding after inflation over the five year period.

Developments within Health and Social Services in Jersey are inextricably linked to the pace of progress in the United Kingdom. Such a significant level of investment in the NHS will inevitably impact on the demand for services in Jersey and influence public and professional expectations regarding standards of clinical care, equipment and drugs that might be available in the Island.

The Health and Social Services Committee has also made a strategic commitment to improve the standard of health and social care in Jersey, as outlined in a *draft* Health and Social Services Committee strategy for 2001-2005. In a statement made in the States on 4th December 2001, the President of the Health and Social Services Committee confirmed that the strategy would not be formally presented for approval, as had been scheduled, as it was anticipated that the findings of a Health Funding Review, jointly commissioned with the Policy and Resources, Finance and Economics and Employment and Social Security Committee would have a direct bearing on the potential implementation of this strategy.

The outcome of the review will be available in the near future and, indeed, is likely to recommend a level of revenue growth similar to that requested by the Health and Social Services Committee.

The reasons for rising expenditure on health and social care are well-rehearsed, and for reference some of the key issues are summarised as follows -

- *Technological developments* - for example, new medications which cause the drugs bill to rise by 8%-12% per annum as a direct result of improved treatments; technology developments, saving lives and bringing benefits to patients, such as the changes from open surgery to key hole surgery or from analogue to digital hearing aids; and an increase from 3 Jersey patients receiving kidney dialysis in 1998, to a predicted 70 patients by 2005.

- *Demography, and especially the needs of an aging population* - due to more effective treatments people are generally living longer, and require increasingly intensive support for a protracted period, especially in a long stay care setting. Health and Social Services has committed a recurring sum of £1.7 million in 2002 to secure extra beds for older people and to introduce other initiatives to tackle bed capacity problems. It will be necessary to provide a similar level of investment in community support services for older people on a continuing basis.

- *Professional requirements and compliance with established standards* - health professionals are registered with their professional bodies and are required by them to maintain currency with best practice, together with meeting the standards of professional bodies such as the Royal Colleges. These standards include commitment to extensive continuing professional development, clinical audit and clinical governance.

- *More general issues, ranging from the demands of the public to external matters, such as compliance with European working time directives* - the public expect to access the most appropriate care within an acceptable time frame. People are increasingly well informed via the internet and other media on the range of treatments which ought to be available to them and their families, and it is also clear that they will not continue to tolerate long waiting lists for non-urgent operations.

- *Increased responsibility for Social Services* - prior to 1996, the funding allocated to the then Public Health Committee went into hospital and community based health services. In 1996 the new Health and Social Services Committee was assigned responsibility for the development of integrated health and social care in the Island and, in spite of requests, no additional funding was made available to establish adult social services. This was a serious omission. Soon after this, responsibility for all grants to voluntary sector partners providing social care was transferred from the Finance and Economics Committee to the Health and Social Services Committee, adding considerable further growth pressures which have had to be funded from within the Committee's cash limit.

2. The need for a Health and Social Care Modernisation Fund

On 27th May 2002, the Health and Social Services Committee made a presentation to States members on the implications of maintaining a standard of health and social care comparable with neighbouring countries, and the financial impact of pressures facing health and social care in Jersey and worldwide. The aim of the presentation was to develop a shared understanding of the level of funding required to -

- enable health and social services to catch up with existing activity levels;

- purchase or develop additional services required to meet the identified health and social care needs of the population;

- protect our services from external threats (e.g. recruitment difficulties) and to introduce integrated programmes aimed at particular conditions, with an emphasis on prevention.

It is believed that the Finance and Economics Committee wishes to support the policy objectives for Health and Social Services. Whilst the Health and Social Services Committee has secured a significant proportion of the additional revenue funding available for 2003, this will largely be absorbed by the existing growth in demand, pay awards and non-staff inflation.

The Health and Social Services Committee has actively supported independent audits and reviews of its services, aimed at improving efficiency and value for money, and will continue to welcome any further studies. However, such reviews have indicated that the scope for additional savings is, at best, marginal and that reviews cannot in themselves improve performance. Furthermore, these reviews have generally recognised that there is a need for further investment in order to improve performance.

The Treasury is of the view that it would not be financially prudent to commit the States to any further recurring revenue expense until the recommendations of the funding review have been considered. It is, however, not possible to put the development of health and social care 'on hold'. If the service stands still, it will slide progressively further behind the standards of other countries and fall short of the reasonable expectations of the Jersey population.

The UK health service has faced a similar challenge and has addressed the issues through an ambitions agenda to 'modernise' the NHS -

Modernising the NHS

"The NHS cannot stand still. It needs to modernise if it is to meet patients' aspirations for-up-to date, quicker, more responsive services. The White Paper sets out an ambitious and far reaching programme of modernisation. It cannot happen overnight. It will be achieved over ten years. The Government is committed to raising spending in real terms every year. We have promised to cut waiting lists for hospital treatment and will do so by the end of the current Parliament. And there will be early, visible improvements to the quality of service people experience in their own homes, at their GP

surgery or health centre, and in hospital."
The New NHS - Modern, Dependable; U.K. Department of Health, 1998.

Given the above considerations, the Health and Social Services Committee proposes that a non-recurring investment fund should be established to enable important service developments to proceed - to provide modern health and social care for Jersey. It is proposed that £10 million should be made available, in equal parts cumulatively over three years 2003-2005, which will permit the Committee to move forward significantly in achieving some of its strategic policy objectives.

The merits of this plan include -

- keeping pace with health and social care developments elsewhere and fulfilling the States' strategic commitment to maintaining 'a standard of health and social services comparable with that found in other countries';

- investment in service improvements ring-fenced to protect development funds, which are presently overwhelmed by current demands and pressure to meet existing expenditure;

- pump-priming funding to enable a strategic change programme to commence, which should lead to self-sustaining performance improvements in the future;

- a 'draw down' facility to act as a contingency fund for unforeseen eventualities which presently displace planned improvements - and to enable a rapid and effective response to be made as service development opportunities arise.

A non-recurring development fund as proposed cannot be a substitute for ongoing revenue growth. The Health and Social Care Modernisation Fund must be in addition to annual inflation, pay awards and real revenue growth that is essential for the long-term development of Health and Social Services. It can, however, make possible vital progress in addressing by 2005 the real needs and expectations of the community which have formed the basis of the Committee's strategic policy objectives, and also provide a breathing space whilst the outcomes of the funding review and options for the future funding of health and social care are considered by the States and additional revenue growth can be brought into effect.

In view of the close links between Jersey's health service and the NHS, it is inevitable that comparisons will be made between the level of investment and standards in the U.K. and Jersey. In particular, if Jersey is to continue to compete successfully in recruiting health professionals from the same pool as the NHS, the Island's health service must remain attractive by offering equivalent facilities and professional development opportunities.

The challenge and potential benefits of such a significant programme of investment in health and social care are illustrated below.

3. Strategic objectives for the fund

The Health and Social Care Modernisation Fund should be used to help achieve the goals outlined in the Health and Social Services Strategy report 2001-2005, *'Improving health and social* care', i.e. -

"To meet the health and social care needs of the people of Jersey through -

- promoting the health and social well-being of individuals, families and the community;

- providing prompt, high quality services based on assessed need and entitlement;

- and protecting the interests of the frail, vulnerable and those whose needs are greatest."

Specific objectives for the fund are -

(a) Modernising health and social care

There is a need to invest in specific developments - new drugs, diagnostic and information technology and clinical techniques - to ensure health and social care in Jersey is up to date and comparable with modern services in other countries. Facilities such as diagnostic imaging have made a significant contribution to improving the standard of care, but the technologies are constantly being improved and superseded by better equipment.

A compelling need exists to modernise the Health and Social Services information management and technology (IMT) facilities and to be able to harness the benefits of modern IMT facilities -

- to enable clinicians to improve the efficiency of their current practice, to address clinical governance at the bedside and to provide robust relevant information for clinical needs;
- to provide strategic management tools to fundamentally change and improve the way healthcare is delivered in Jersey in the 21st century.

As in the NHS modernisation plan, information technology will be the platform on which Jersey's health improvement programme is built.

In some areas existing work practices are no longer acceptable and must be addressed in the near future, for example doctors' working hours that are not compliant with current European working time directives.

Most significantly, the way that services are provided must meet patients' current expectations of efficient and high quality care. Out-dated facilities must be replaced by modern services that are centred around the needs and convenience of patients and their families. However, in many cases, changes leading to improved services require initial investment in new facilities and equipment before the benefits can be attained.

In addition, if new ways of working are to be adopted successfully, staff have to be fully prepared and trained, whilst continuing to provide the existing service, involving a period of extra resources to achieve a smooth transition.

(b) Community services outside the acute hospital setting

The Committee needs to respond within a reasonable timescale to shortfalls in services identified by independent audit and service reviews. For example, a recent review commissioned by the Health and Social Services Audit Committee and carried out by the Audit Section of the Treasury, outlined many of the complex issues surrounding the services to older people. The review highlights the need to address locally the implementation of the U.K. National Service Framework for Older People and also draws attention to the interrelationship between lack of investment in community support services [including the provision of continuing care] and the problems of delayed discharges unnecessarily blocking hospital beds.

The Department is currently piloting a system for comprehensive analysis and assessment of older people's needs to inform the co-ordinated development of services. However, if it is to be introduced fully then additional resources will be required to support the process.

(c) Patient safety and risk management

Notwithstanding the skills and best efforts of health and social care professionals, patients and clients face a risk of adverse clinical events or avoidable harm occurring. There is always a chance that something can go wrong and despite the best of care, sometimes the outcomes are not as good as one might have hoped or expected. A concern is that, in an environment of high public expectations and increasing litigation, Health and Social Services and the States face a substantial financial risk unless every reasonable step is taken to ensure the safety of patients and clients.

The NHS has made significant strides forward in addressing the issues of patient safety and clinical risk management, including investment in clinical audit and quality improvement. A National Patient Safety Agency was created in July 2001 to co-ordinate the efforts of the entire country to report, and more importantly to learn from, adverse events and 'near misses' occurring in the NHS.

However, progress on this important subject has been limited in Jersey, largely due to the inability to secure adequate resources to introduce comprehensive clinical risk assessments, to identify those areas in which improved safety standards might provide greater protection and to implement widespread clinical quality improvements.

(d) Stewardship

The Health and Social Services Committee has a responsibility, as stewards of a public service, to look after and make the best use of existing staff skills and facilities, and has identified the need to increase expenditure in this respect. Unfortunately, in spite of concerted efforts to make best use of existing resources, it is evident that little more can be achieved within the current level of funding.

Particular concerns are -

- The support that can be made available to recruit and train sufficient staff, especially nurses and other clinical professionals, and develop their skills and knowledge. Difficulties in funding nursing education are preventing some local young people from considering this career option, and the Committee is also aware of the need to support post-qualification education and training so that existing staff are able to keep up to date with current practise and are given every opportunity to deliver the highest standards of care to all patients.

- The Health and Social Services Committee is responsible for a substantial range of hospitals, residential nursing homes, day centres, community homes and other premises throughout the Island. These buildings and facilities have served the needs of the population well, and with adequate attention can continue to fulfil their purposes for many years to come. As with all premises and equipment, they need maintaining or they become 'tired' looking and require repair after a time, and a programme of refurbishment, up-grading or replacement becomes necessary. However, in recent years the level of revenue available for maintaining premises and providing technical support for non-clinical equipment has had to be reduced in real terms and, consequently, some areas and equipment do not meet the required standard.

4. What will the fund be used for?

It is proposed that specific criteria should be defined for projects or service developments that might be funded by the Health and Social Care Modernisation Fund, as follows -

(a) The developments should be based on reliable evidence that they are able to demonstrate tangible benefits for patients, clients and the general public.

(b) The benefits should be measurable where possible, in either quantitative terms or a qualitative assessment of improvements.

(c) The developments must be capable of independent audit and verification of benefits.

(d) Key considerations should include providing value for money and improving the quality, performance or productivity of the service.

(e) The investment required should be substantially non-recurring in nature.

(f) The developments should be capable of integration into existing services without significant knock-on resource implications for other areas, and after the initial investment should ideally be self-sustaining in the future (although it is acknowledged that some initiatives may have to be absorbed in a recurring programme of growth once the outcomes of the health funding review are implemented).

(g) The developments must wherever feasible be capable of being implemented with the additional financial resources available, largely within the existing manpower and management input.

Whilst it is not intended at this stage to describe a prescriptive list of developments that will be undertaken, it is possible to give an indication of the types of projects that might be achieved with the assistance of the Health and Social Care Modernisation Fund. Possible options to be considered include -

Modernising acute hospital services:

- Waiting list reductions to achieve, and hopefully improve on, the Committee's existing targets for non-urgent surgery. These may be achieved in a number of ways including significant expansion in the Day Surgery Unit at the General Hospital, as well as the purchase of some elective treatments by hospitals in the U.K. or in France for those patients who are willing to be treated outside the Island.

- Implement changes in skill mix, to take the pressure off the most skilled staff and to enable others to take on, with an appropriate extension of their skills, a wider range of tasks.

- Nurse education - particularly to support local young people embarking on a career in nursing.

Developing community based health and social care:

- Essential community developments - including increased support for older people, support for people with disabilities such as brain injury, and respite care for children with special needs. It is possible that such initiatives might be pursued in partnership with a number of charitable organisations, for example Family Nursing and Home Care, Age Concern, Les Amis, Headway, etc.

- Stimulate private sector provision of continuing care beds, to increase the capacity to provide suitable high quality care for older people in the community, to speed up hospital discharge and release hospital beds for more acute patients. Strategic partnerships with private sector providers may be an important way forward to extend the range and capacity of services in the Island.

Primary health care development:

- Primary care development - enabling general practitioners and community services to provide a wider range of treatments in a primary care setting. Possibilities for consideration might include shared primary care facilities for GPs, community nursing and pharmacy.

- Exploring the possibility of piloting intermediate care beds, managed by General Practitioners, for people who might otherwise require admission to hospital.

- Better integration of health and social care - especially supporting the development of comprehensive social services for older people and integrated care pathways for common clinical conditions, such as diabetes and heart disease.

Developing improved clinical risk management and audit:

- Safety and clinical risk management - including additional investment in clinical audit, comprehensive risk assessment and clinical quality improvements.

- Implementing a range of National Service Frameworks where there is evidence of their effectiveness in improving standards of care.

“**Modernising the NHS** means making improvements which patients can sense, touch and feel. It involves three things -
• renewal - making good the years of under-investment and ‘making do’; • redesign - changing the way that services are delivered to make them work better for patients and staff; • respect - re-instilling in the service a sense of respect and pride in achievement.”
The NHS Modernisation Board’s Annual Report 2000-2001 – The NHS Plan - A progress report.

Manpower implications

It is intended that many of the above service developments should be of a non-recurring nature and, accordingly, should involve limited or short-term manpower growth. It is inevitable, however, that in the long term modest increases in manpower will be essential and that some of the service developments will need to be subsumed within future provision of revenue growth for Health and Social Services. The normal processes for securing Human Resources Committee approval of manpower increases will be followed.

5. Management and operation of the fund

As outlined above, it is proposed that the Health and Social Care Modernisation Fund should be established to the sum of £10 million, made available in three equal parts cumulatively over the years 2003- 2005. The funds would be held in reserve by the States Treasury, to finance approved health and social care developments up to the balance of the fund.

It is proposed a ‘Modernisation Board’ should be established as follows -

Composition of the Board

The Board should have a balanced membership of political/community representation and health and social care professionals, comprising -

- the Presidents of the Health and Social Services Committee and Finance and Economics Committee;

- the Chief Officer of Health and Social Services and the Treasurer of the States;
- community representation, for example a Jurat;
- senior health and social care professionals, including representation from primary care.

The Board should be served by a Clinical Standards and Technology Assessment Group which would review the evidence for effectiveness and cost-benefits of each proposal.

In addition, *ad hoc* participation could be invited from specialists as necessary to consider any specific issues. It is anticipated that detailed terms of reference for the Modernisation Board should be agreed between the Health and Social Services Committee and Finance and Economics Committee.

Procedure for approval of funding

The Health and Social Services Committee will welcome bids from within Health and Social Services departments, as well as in partnership with the private sector, general practices and from voluntary organisations, in accordance with the Committee's objectives.

Before approval of any bids by the Board, it is proposed that each proposal should be subject to comprehensive evaluation of the evidence for effectiveness and for value for money. The Health and Social Services Committee will initially assess all bids for funding against the criteria described in this report and will, if approved, be submitted to the Modernisation Board for consideration of funding.

After implementation it is recommended each project should have a rigorous impartial audit to ensure that the intended objectives have been achieved.

It is proposed that the Modernisation Board would publish an annual report outlining the developments and investment supported, and reviewing the achievements in developing health and social care.

6. How could the Health and Social Care Modernisation Fund be funded?

The Health and Social Services Committee is aware that making a substantial amount of funding available at the present time will not be easy.

The strategic funding review currently under way may suggest some fundamental changes in the way that health and social care in Jersey is funded. For example -

- *Individual insurance system*

  Jersey could adopt a version of the European systems where individuals are responsible for part of the cost of their care, and respond by insuring themselves appropriately through occupational or private insurance schemes.

- *Social Insurance System*

  The establishment of a state-run insurance scheme, possibly as a supplementary element of existing social insurance arrangements.

- *Increase in general taxation or social security contributions*

  In the longer term, the taxation and social security systems could be amended, and contributions could be hypothecated or ring-fenced to fund health and social care, either wholly or in part. For example, in Guernsey the Social Security system has been changed so that continuing care of the elderly is met from increased social security contributions rather than general taxation.

As an interim measure, to carry the service through a transitional period and pending the outcome of the health care funding review, one solution would be to access the States' strategic reserve to bridge the funding gap in the short term.

The Committee has suggested that a suitable source of funding for the Health and Social Care Modernisation Fund might be from the interest accrued on the strategic reserve. However, it is mindful of Article 13A of the Public Finances

(Administration) (Jersey) Law 1967, as amended, which provides that the use of funds from the strategic reserve may only be authorised by the States on the specific recommendation of the Finance and Economics Committee and for purposes recommended by that Committee.

Accordingly, the Committee has proposed that the States should charge the Finance and Economics Committee to identify the appropriate source of funding and, if necessary, to bring back a report and proposition to the States to make the funding available.