

STATES OF JERSEY



DRAFT ANNUAL BUSINESS PLAN 2012 (P.123/2011): SIXTH AMENDMENT (P.123/2011 Amd.(6)) – COMMENTS

**Presented to the States on 12th September 2011
by the Minister for Health and Social Services**

STATES GREFFE

COMMENTS

The Minister for Health and Social Services opposes ALL parts of this amendment.

Deputy G.P. Southern of St. Helier proposes that the net revenue expenditure of the Health and Social Services Department shall be increased by various amounts, reflecting the proposed cancellation of the draft CSR savings and user pays proposals for 2012 and that the net revenue expenditure of the Treasury and Resources Department (Provision for Restructuring Costs) shall be reduced by an equivalent sum in 2012.

Comment

The Health and Social Services Department is on target to meet its 2011 commitment and is confident that with the specialist input now available in the Project Management Office, the savings and user pays for 2012 and 2013 can be delivered and proposals will match the level of detail seen in the 2011 schemes.

The Minister for, and Chief Officer of, Health and Social Services are committed to deliver the target savings. A process has been undertaken to identify the initial savings programme, and appropriate resource is now in place to develop the proposals for implementation in 2012 and 2013.

With respect to each sub-section of the proposition, the Department has provided a comment on the progress of each of the projects identified by the Deputy.

(a) Introduce systems to manage procurement (Procure to Pay System)

In 2011, the Procure to Pay project (P2P) was tasked with achieving £750,000 of savings. It is in fact forecasted to achieve savings of £779,000.

For 2012, the recurring savings on an annual basis are £1,338,000 against a target of £1,250,000. This has been realised by the ongoing delivery of the 14 themes which formed the structure of the P2P project. The challenge for ongoing success and sustainability will be embedding the changes into "business as usual". The Department is working with the States procurement function in reviewing a mixture of tactical and strategic recommendations for change, which are designed to improve the procurement support offered to Health and Social Services.

(b) Review Service Level Agreements (UK and Jersey) with providers

This project is a review of agreements with **non-Jersey** providers for hospital referrals.

The Department currently spends around £16.6 million per annum on commissioned health care services, which includes £7 million per annum with UK hospitals.

An analysis of clinical referral and price benchmarking was completed in October 2010, which identified a significant number of areas that would support CSR savings targets.

Ten specific areas were pin-pointed to have a gross saving value of £431,000 recurring annually.

The way in which these savings will be realised is by –

- (a) developing improved commissioning processes within Health and Social Services;
- (b) negotiating with UK hospitals;
- (c) clinical review of referral decisions.

Already achieved is £300,000 net savings in 2011 and £350,000 recurring from 2012 onwards. For this project to be sustainable, a clinical review of referral decisions will need to be embedded, and work is already in progress to this end.

(c) Reduction in energy consumption

This project is part of the overall States-wide initiative to reduce energy consumption.

The departmental Eco-Active campaign was launched in May 2011. A validation process for the various options for savings related to energy and water is currently being undertaken and will report in the autumn. Examples of initiatives being investigated are replacement of hospital boilers and lagging insulation of pipework. This entire portfolio of projects has the potential to achieve recurrent savings of £385,000 from 2013, dependent on the outcome of the validation process.

(d) Rationalisation of management posts

A senior Human Resource Officer and a Human Resource Officer have been seconded into the Programme Management Office to consider this and other human resource-related schemes. Work on this project will be a priority task in the coming months.

(e) Review Occupational Therapy Services, less essential SLA annual increases and other efficiency savings

There is presently a vacancy for the Occupational Therapy Assistant post in Special Needs. This is a 10 hour post, and in light of the required contribution for CSR, it is timely to review the provision of Occupational Therapy within the Special Needs Service. The outcome of a review is likely to indicate –

1. Slightly increase the waiting time for delivery of occupational therapy intervention.
2. Increase the workload on the 2 main grade Occupational Therapists within the service.

However, it is important to note that with the recent development of Community and Social Services within Health, and the subsequent development of age-related 'Divisions', this has provided the opportunity to co-locate adult Multi-Disciplinary Team Services, which includes the wider Adult Community Occupational Therapy Service, where there are possible economies of scale to help respond to any impact of this decision.

Other efficiency savings are still very much in the early stages of development and negotiations. Full scoping is planned, and will be undertaken by resources in the Programme Management Office. This scoping will include a review of our current Service Level Agreements, ensuring value for money. The analysis will look to increase community options for respite and reduce the current reliance on provision of costly residential respite care. This is in line with evidence-based practice.

(f) Review process pathways in the hospital to improve efficiency

The Green Paper makes a strong case for significant additional investment in Health and Social Services. However, there are always opportunities to improve the way we provide services to benefit patients and deliver value for money. Such improvements may include altering the route a patient takes through our services, or indeed removing unnecessary steps along the way. We currently have no standard approach to doing this, and for it to be truly effective, expertise to support this initiative must be procured and staff trained in the specific skills required. This project will result in a long-term change in processes and thinking which will promote a culture of continuous improvement. Procurement is underway to engage the necessary expertise, and a resource within the Programme Management Office has now been identified to support this work.

(g) Joint initiatives with Guernsey

The Department has forged a strong working relationship with colleagues in Health and Social Services in Guernsey and has developed a number of possible joint projects.

One of the key and most advanced of these is the re-tendering of the Air Ambulance Service, which will allow Jersey and Guernsey to work in partnership. This will provide a value-for-money outcome for both Islands whilst improving quality of an already high-class service in Jersey. The specification for the Service is in draft and an advert for tender will go out in September. It is anticipated that a new contract will be in place in September 2012.

An initiative around procurement is also in early stages of development.

(h) Rationalisation of Health and Social Services Estates

The Department has developed plans to rationalise office accommodation. This is largely designed to enable the expansion of key departments within the Hospital and the co-location of certain children's and mental health services.

It is anticipated that as part of this planned programme of moves, some properties will become surplus to requirements and should release savings.

(i) Re-design Respite Services

Following the successful development of a broader range of available respite services for adults with special needs, which now include residential short breaks, professional sitting services, community outreach services and additional support for people with complex and challenging behaviour; there is the potential to now re-organise and rationalise the use of those available resources. This will maximise the move away from a high-level use of residential short breaks (as a traditional and expected style of

service/support), to increasing the opportunities for better use of the professional sitting service and the community outreach service. This has potential to maintain the delivery of the quantity and quality of short break services required, whilst contributing to real financial savings.

(j) Accident and Emergency (A&E): appropriate use of service

This project is to consider the high numbers of people attending A&E who would be better treated in primary care.

Benchmark data indicates an unusually high volume of A&E attendees for the size of population. The structure of primary care provision in the Island may account for this. Introducing and implementing triage protocols to ensure that patients are treated by the appropriate service should reduce costs and ensure services are targeted to deliver the most effective patient care. Considerable work is required to understand the impact of factors such as low-income service users and understand how cultural behaviours come into play.

Programme Management Office resources have now been allocated to support this project and an in-depth feasibility and scoping exercise will be undertaken.

(k) Workforce efficiencies review

A Senior Human Resources Officer and a Human Resources Officer have been seconded into the Programme Management Office to consider this and other human resource-related schemes. This project will take into account the Corporate Terms and Conditions work to ensure “double counting” of CSR savings is avoided. Examples of areas to be researched include overtime processes, training and recruitment costs. This thrust of this project constitutes what should be a natural and ongoing process in terms of reviewing our policies and procedures to ensure they are fit for purpose and deliver fair and value-for-money outcomes.

(l) Re-design Special Needs Residential Services

To date, 2 group homes, traditionally used by the adult special needs service, have been vacated and are available for sale on the open market; managed through Property Holdings. The business case for the development of 2 new units of accommodation on the Tevielka site is due to be completed by mid-September 2011, submitted to Property Holdings for delivery to the Treasury Department. Work to date is on track, with a view to planning permission being sought imminently, tenders for the proposed work being advertised and work starting in the later part of 2011. It is anticipated, and hoped, that the new units will be occupied by the end of the second quarter in 2012. Target savings will be achieved through greater efficiencies in maintenance and running costs of fit-for-purpose accommodation and staffing efficiencies of supporting 3 units on one site.

(m) Better price negotiations for purchase of care services

The budget for Community and Social Services on Community Commissioning in 2011 was over £10 million.

This project reduced the cost of procurement of care services within Community and Social Services in 2012. This project has achieved its 2012 CSR saving in 2011 and

ahead of schedule, as part of the work undertaken by the procurement team on community commissioning arrangements.

(n) Patient Transport Review PTS provision (user pays)

Programme Management Office resources have now been allocated to support this project and an in-depth feasibility and scoping exercise will be undertaken as priority. Any forthcoming proposal will ensure that those in need and eligible for transport will be provided with transport, and those that cannot afford to pay will not be excluded on those grounds.

(o) A proposal to move smoking cessation support services into a community setting (user pays)

Health and Social Services (H&SS) were pleased to be able to avoid a user pays option when developing this project. The project was originally required to generate £188,000 through a user pays model. However, by using the current funding more efficiently and by moving the service into the community, the required savings can be made whilst maintaining the service's current accessibility and performance. The potential providers will be identified as a result of a competitive tendering process and will be paid according to outcomes.

(p) Introduce an A&E charging mechanism (user pays)

This project will initially review the profile of attendees to A&E and the existing G.P. Co-operative to understand the impact of introducing charges. There are a number of charging mechanisms in other jurisdictions, including Guernsey, which will be researched for their suitability locally.

Programme Management Office resources have now been allocated to support this project and an in-depth feasibility and scoping exercise will be undertake.

The principle of user pays charges in Health and Social Services will be returning to the States Assembly for their future consideration in the form of a new draft charges Law which will be debated.

(q) Review thresholds for travel to the UK for elective surgery (user pays)

Elective surgery is surgery that is medically necessary but need not be performed immediately.

This project is to review the subsidy that patients are given for their travel to the UK for elective surgery.

Programme Management Office resources have now been allocated to support this project and a comprehensive review with an impact assessment will be undertaken before any proposals are put forward.

(r) Consider the re introduction of prescription charges by H&SS (user pays)

A working party which includes representation from Social Security and Health and Social Services has been formed to look at this issue. The first meeting has taken place and project management and accountability has been considered.

(s) Surgical specialties: non-urgent cosmetic procedures (user pays)

Non-urgent cosmetic procedures include procedures such as the removal of skin tags and non-painful varicose veins.

This is a clinically-led project which is being overseen by the Hospital Clinical Strategy Group, which is a group of senior doctors.

Work is well underway and recommendations will be considered in October 2011.

(t) Income generation initiatives within Community and Social Services (user pays)

Support has already been given by central CSR to undertake an in-depth analysis of where income could be generated or savings can be made within Community and Social Services. This review will be completed by the end of September 2011, and any emerging initiatives will be developed with support from Programme Management Office resources.

As part of efficient service delivery, income generation initiatives should be developed, irrespective of the CSR process.

(u) Recovery of costs from private patients and insurance companies for Road Traffic Accidents (user pays)

In 2011, the Motor Traffic (Third-Party Insurance) (Jersey) Law 1948 was enforced to allow the recovery of a small amount of charges associated with treatment of patients involved in road traffic accidents. A change to this Law is to be debated by the States Assembly in September [*P.134/2011 – Draft Motor Traffic (Third-Party Insurance) (Amendment No. 12) (Jersey) Law 201-*].

If accepted, this will allow an increase in tariff which would be more reflective of actual costs. The corresponding UK legislation allows a maximum of £42,000 to be recovered for each case.

With respect to private patient charges, the scope of work and project plan has been agreed and aims to have an uplift in place on 1st January 2012. Plans are in place to progress this, which includes good practice from Guernsey who have already applied a successful charging model.

The income from an uplift in private patient charges could be significant.

States Members are reminded that each section approved by the Assembly is effectively removed from the portfolio of projects that Health and Social Services can undertake. This would mean that certain efficiency-related initiatives and potential improvements in services for patients and clients would have to be curtailed.

The Department would not be expected to find alternative projects to replace the savings and user pays shortfall.

Summary

The Minister for Health and Social Services has every confidence that the calibre and commitment of staff in the Programme Management Office in Health and Social Services is sufficient to drive through the implementation of these savings and user pays proposals, and that they will be fully supported by the staff in the Department.

The Minister hopes the comments attributed to each of the proposals assures the House that the Department is committed to delivering the savings and user pays targets agreed by the Council of Ministers, and is able to do so, particularly now that we have secured the additional resource required.

The Minister therefore asks this Assembly to reject all sections of this amendment.

Statement under Standing Order 37A [Presentation of comment relating to a proposition]

The Minister for Health and Social Services was unable to approve the comments before the deadline as a result of the States Sitting beginning on Monday 12th September.