

Governing Body

REPORT

Subject	Circle MSK: Prime Contractor Model
Date	Thursday 4 th May 2017
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Executive Summary

Following a competitive procurement process, Bedfordshire Clinical Commissioning Group (CCG) commissioned Circle Health Limited to provide an Integrated Musculoskeletal (MSK) Service for Bedfordshire patients, referred to as Circle MSK from hereon. The service commenced on 1st April 2014 on a pioneering Prime Contractor Model for a period of five years.

The purpose of the paper is to provide background and context to the Circle MSK contract model, including the service and quality improvements, lessons learned, areas for further improvement and value for money.

Based on total MSK Programme Budget cost at the start of the contract and assuming a conservative annual growth rate of 5%, the forecast financial benefit to the CCG is £4m at year 5, compared to the current and forecast cost of Circle MSK contract.

In conclusion, the Circle MSK service and the Prime Contractor Model has provided positive benefits to Bedfordshire residents and Bedfordshire CCG, including:

- Improvement in outcome measures, specifically focused on behavioral change, clinical and service effectiveness
- Delivery of £600k financial benefits to date with a Y5 projection of £4m benefits, reducing the ongoing financial risk of increasing demand
- Improvement in data quality, enabling monitoring of service outcomes and identifying key areas for improvement.
- Reduction in CCG resource requirements for contract management

Recommendation

Governing Body are asked to note the contents of the report.

Links to the business and risks

Relevant Strategic Objectives 2016/17 (please mark in bold)
1. Systematically implementing prevention, early diagnosis and early intervention
2. Commissioning services that deliver evidence-based care, in the right place and at the right time, including promoting self-care and empowering patients to manage their own conditions.
3. Making sure that care is high quality, safe and sustainable, that it improves health outcomes and wellbeing and provides a good patient experience.
4. Using the statutory framework with best practice governance and transparency principles to be fully accountable to our population in commissioning and operating as a part of the wider health system
5. Ensure that the CCG commissions and operates in a financial manner consistent with the regulatory framework, long terms sustainability and best use of public money.
6. We will work in close partnership with all the organisations who commission or provide care for our population, to integrate services where it makes sense and to achieve seamless transitions of care for patients where services remain separate.
7. Embedding member, public, patient, carer, staff and other stakeholders' views through meaningful engagement into decision-making processes and commissioning intentions.

Links to Board Assurance Framework / Corporate Risk Register	None.
Details of additional risks associated with this paper (may include NHS England Assurance Framework / NHS Constitution)	No additional risks identified.
Financial Implications / impact	The paper provides an update on financial expenditure for Circle MSK which is within the budgeted financial plan for 2017/18. The paper does not seek further financial resource.
Legal Implications / impact	Not applicable.
Partnership work / public engagement implications / impact	Following feedback during CCG Executive Meetings, a survey was circulated to primary care in April 2017, resulting in 15 responses indicating areas for improvement.
Committees / groups where this has been discussed before	The contents of this paper was discussed at Executive Committee on Thursday 27 th April 2017, gaining support to present to Governing Body members.
Other options available and their pros and cons	An alternative option would be to serve notice to Circle MSK in advance of contract expiry, however this would incur a financial penalty to the CCG of approximately £4m.
Background papers	Not applicable.

Circle MSK: Prime Contractor Model

1. Introduction

Following a competitive procurement process, Bedfordshire Clinical Commissioning Group (CCG) commissioned Circle Health Limited to provide an Integrated Musculoskeletal (MSK) Service for Bedfordshire patients, referred to as Circle MSK from hereon. The service commenced on 1st April 2014 on a pioneering Prime Contractor Model for a period of five years.

As the prime contractor, Circle MSK are responsible for the management and delivery of the entire MSK pathway, focussing on delivery of improved outcomes within a fixed financial envelope.

The service has been operating for three years, during which both Bedfordshire CCG and Circle have been working collaboratively to improve the service delivery, outcome measures and contractual framework.

The purpose of the paper is to:

- Provide background and context to MSK in Bedfordshire pre-Circle MSK [Section 2]
- Provide an overview of the Circle MSK service [Section 3]
- Describe key highlights of service and quality effectiveness [Section 4 – 5]
- Provide background and context to the Prime Contractor model and value for money assessment [Section 6]
- Identify lessons learned and areas for further improvement [Section 6]

2. Background

Prior to procurement of MSK Services in 2013, there were a number of issues highlighted by the Business Case, including:

- An outdated, hospital-oriented system of care. This system was set up long before advances in physiotherapy, exercise and drug interventions. Evidence has resulted in opportunities for community-based services to achieve better outcomes and enable more efficient use of resources.
- Unwarranted clinical variation in activity. Differences in the treatment and care received for comparable conditions, with differences and inequity in access of that treatment/care.
- Lack of integration: between services across the whole MSK system resulting in re-referrals and repetition.
- Commissioners were required to manage the whole pathway across 20+contracts.
- Increasing spend and financial inefficiencies across the pathway.
- Limited data collection across the pathway, including measurement of patient outcomes

System issues highlighted above were captured following several engagement sessions with primary care, MSK providers and patients/carers, leading to a co-designed model of integrated care.

3. Service Overview

Following a competitive procurement process during 2013-2014, Bedfordshire CCG appointed Circle Health Limited to provide an Integrated MSK Service for Bedfordshire patients. Circle Health Limited's wholly-owned subsidiary Circle Clinical Services Limited is the contracting entity delivering these services and referred to as Circle MSK from hereon. The service commenced on 1st April 2014 on a Prime Contractor Model for a period of five years. The contract is set to expire on 31st March 2019.

The overall aim of the Integrated MSK Service is:

'To ensure delivery of high quality MSK care and experience to patients and improve outcomes within available resources'

The Circle MSK service model includes:

- Integrated Provider Hub (IPH) providing a single triage hub for all MSK referrals, regardless of clinical need and managing the patients pathway from referral to discharge
- Total of eight community hubs across Bedfordshire, providing care closer to home
- Community Physiotherapy
- Community Podiatry
- Community MSK assessments, further investigations and additional treatments (such as Ultrasound Guided injections, not previously provided in the community)
- Community MRI, Ultrasound and Nerve Conduction Studies (gained via AQP)
- Secondary Care Hospital treatment for patients requiring surgery or consultant expertise

The specification was agreed based on NICE recommendations and best practice at the time of service commencement.

4. Service Effectiveness

There have been a number of improvements since the commencement of Circle MSK in 2014, summarised in Table 1.

Table 1. Service improvements pre and post Circle MSK

Area	Pre-Circle MSK	Post-Circle MSK Commencement
Waiting times	<ul style="list-style-type: none"> ▪ Physio waits 8-10 weeks ▪ Appointment waits 8-12 weeks ▪ Diagnostic waits of 6-8 weeks 	<ul style="list-style-type: none"> ▪ Physio waits 1 week for urgent, 4 weeks for routine ▪ Community hub waiting times of 1-4 weeks ▪ Diagnostic waits of 1-3 weeks ▪ Referrals triaged within 24 hours
Activity volumes	<ul style="list-style-type: none"> ▪ Total community activity volume of 30% (2012) ▪ 54% (low) conversion from hospital outpatient appointment to surgery 	<ul style="list-style-type: none"> ▪ Community activity volume of 68% (2017) ▪ 24% reduction in secondary care referrals since April 2014 ▪ 18% reduction in secondary care surgery since April 2014

Nationally, average Referral to Treatment (RTT) wait time has increased over recent years; this has been exacerbated by changes in RTT guideline changes in September 2015. Since the start of the contract the national average wait time for Trauma and Orthopaedic (T&O)

patients has increased from 8.75 weeks to 10.22 weeks. In Bedfordshire wait times have improved from a position worse than national average to better than national average 9.61 weeks to 10.02 weeks.

Trauma & Orthopaedics (T&O) patients seen within 18 weeks has also historically tracked adversely to national average but is now performing better in this respect.

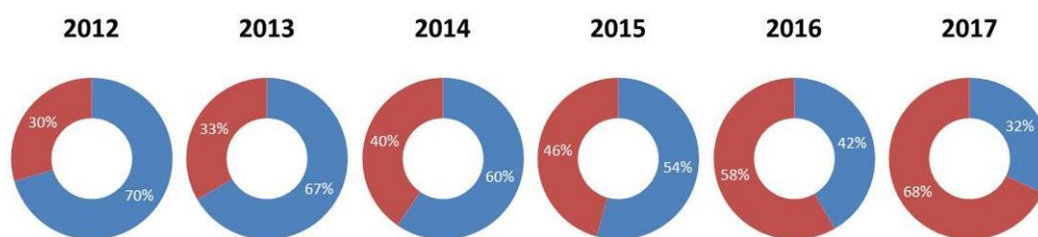
Through effective triage and the offering of alternatives to surgery, Circle has reduced unnecessary outpatient appointments and surgeries thus reducing costs and waiting times, whilst improving patient pathways.

	Conversion
2013	56%
2014	61%
2015	62%
2016	64%
2017	72%
2018	73%

Conversion is measured as a comparison of surgeries to first appointments in Secondary Care across all specialities. Source data is SUS. 2017 and 2018 are estimates, based on current initiatives and trajectory.

In line with national directives, Circle has moved activity from a secondary care setting to a community setting as indicated in Figure 1. Prior to Circle's contract 33% of activity (21,000 appointments) was undertaken in community settings, in 2016 this increased to 58% (57,000 appointments).

Figure 1. Proportion of MSK delivered in a community setting by year (blue = acute, red = community)



The Circle MSK Service has demonstrated improvements in service effectiveness thus far. Examples of effectiveness include improvements in quality, waiting times and surgical conversion rates.

Reduction in unnecessary first outpatient appointments: In Trauma & Orthopaedics, first outpatient appointments have reduced significantly. Bedfordshire is now ranked 26th CCG (improved from 81st out of 208) for its appointments per 100k of population.

Reduction in unnecessary surgery: Trauma & Orthopaedic procedures have reduced significantly. Bedfordshire is now ranked 36th CCG (improved from 103 out of 208) for procedures per 100k of population.

Increased uptake of electronic referrals: Prior to contract commencement, only 7% of patients were referred electronically. Under the current service, this has increased to 78%, supporting national aims to increase electronic referrals.

5. Service and Quality Improvement

The purpose of this section is to provide an overview of the quality assurance process, highlighting key areas of focus and understanding service perceptions.

5.1. Patient Safety

The Circle contract is monitored on a variety of quality indicators on a monthly basis. These areas cover all pathways of care for patients transitioning through the service. The indicators are relevant for all areas of provision, whether it is through the Circle MSK Integrated Clinical Hub, community physiotherapy or through subcontracted arrangements with secondary care providers. Where patients choose onward referral that falls outside an agreed subcontract, then Circle are unable to monitor these indicators in detail with these providers*. Circle will still have the ability to monitor patient feedback and any complaints regarding all service provision.

To date Bedfordshire CCG have monitored two Serious Incidents (SI's) in the course of this contract. Both SI's relate to secondary care surgical pathways.

Circle complainants that have directed their complaints to Circle represent 0.02% of all Circle MSK referrals.

To further inform and assure safety, Circle MSK provides Bedfordshire CCG quality team with a quarterly focus on key areas of service provision. This includes for e.g. workforce planning and establishments, infection control, internal incident management, patient feedback, clinical audit, medicines management assurance and many other quality areas of focus.

Note*- Over 50% of secondary care referrals choose Bedford Hospital Trust (BHT). Bedfordshire CCG has an ongoing quality monitoring process to assure service provision at BHT. These patients under orthopaedic pathway will have quality assurance via Bedfordshire CCG as BHT commissioners.

5.2. Patient Experience

The Friends and Family Test (FFT) is an important feedback tool that supports the fundamental principle that people who use NHS services should have the opportunity to provide feedback on their experience.

It asks people if they would recommend the services they have used and offers a range of responses. When combined with supplementary follow-up questions, the FFT provides a mechanism to highlight both good and poor patient experience.

Circle MSK have developed systems to ensure good collation of patient experience. They have, since the start of contract, been collecting Friends and Family scores across the MSK hubs and community physiotherapy provision. Currently, 97% of patients would recommend the Circle MSK community physiotherapy and Bedfordshire hubs to family & friends.

Circle MSK are working on developing specific measurement process with all secondary care subcontractors to identify true orthopaedic secondary care patient experience. Bedfordshire CCG are aware that inpatient FFT at Bedford hospital and Luton and Dunstable Hospitals

currently report 93% and 94% respectively. FFT measurement is in place for all subcontracted secondary care provision.

5.3. MSK Outcome Measures

This is the first time Bedfordshire CCG has been able to demonstrate measurement of outcomes for patients on the MSK pathway. Prior to the current commissioned pathway, the only available outcome measure was Oxford Hip & Knee Patient reported outcome measures (PROMs), with little or no information of specific condition related outcomes in community MSK.

Nationally, there are few services that collect outcomes at a community level for MSK, demonstrating that through this service, Circle and BCCG are paving the way for future provision. Below is a suite of specific measures now in place with Circle MSK to build on understanding the effectiveness of this pathway.

Table 2. MSK Patient Outcome Measures

Measure	Description	Outcome
MECC – Making Every Contact Count	MECC encourages conversations based on behaviour change methodologies (ranging from brief advice to more advanced behaviour change techniques), empowering healthier lifestyle choices and exploring the wider social determinants that influence health, weight, alcohol consumption etc.	87% of patients who attend appointments have a clinically led discussion regarding MECC. In total, 13,093 patients had MEEC as part of their consultation from January 2016 - March 2017.
EQ5D	A widely-used tool in health that can be used to determine the quality adjusted life years associated with a health state. EQ5D provides outcomes of measures applied in all community Physiotherapy practices and pre and post hip and knee surgery. 36% of patients now have this tool applied to their transition through treatment in the MSK pathway.	To date EQ5D has been captured for 13,728 patients , pre and post-surgery. For Hip & Knee surgery specifically 87% of patients identifying improvement in Quality of life score. 86% improvement EQ5D in last 3 months (improved from 72% at Go live).
Oxford Hip & Knee scores	The Oxford Hip & Knee scores are patient related outcome measures designed to assess disability in patients undergoing total hip/knee replacements.	Current MSK pathway records Oxford Hip score of 78% and Knee score of 51% of all relevant patients.
Bournemouth measure	Outcome measure for patients with neck and back pain. This outcome measure is now collated on 19% of relevant patients within the community physiotherapy service. Each item is rated on a numeric rating scale: 0= Much better, 5= no change and 10= much worse.	Based on current data, the average score within the 19% sample demonstrates 75% reporting decreased scores i.e. trend towards improvement.

Keele STarT Back Tool	The approach uses a simple tool to match patients to treatment packages appropriate for them. It is a simple prognostic questionnaire that helps clinicians identify modifiable risk factors (biomedical, psychological and social) for back pain disability.	This outcome measure is currently applied to 40% of relevant patients. 7,178 Keele STarT Back questionnaires captured to date.
British Spine Register	This registry collects large volumes of valid clinical and patient outcome data for all who require specific spinal management or undergo particular operations. The information collected is analysed to increase our understanding of an interventions success.	The data collection for this register is currently being collected.
Rheumatology HAQ	Specific Health Assessment Questionnaire (HAQ) is currently in development for transition of rheumatology provision into the community.	In development.
Chronic pain psychology	Measure are currently being discussed with Circle MSK regarding how to evaluate effectiveness of inclusion of psychology (scores like PHQ GAD scores are being reviewed).	In development.

5.4. Shared decision making

Shared Decision Making is a process in which patients, when they reach a decision/crossroads in their health care, can review all the treatment options available to them and participate actively with their healthcare professional in making that decision.

Circle MSK have dedicated clinicians who lead this discussion with patients, providing clinical information, relevant to their particular condition, with information about all the options available to them patients are helped to work through any questions they may have, explore the options available, and take a treatment route which best suits their needs and preferences.

According to Circle's current data, 97% of patients who have chosen an alternative treatment for surgery, are currently undergoing appropriate treatment, with 3% of patients being referred on for surgery where initial treatment was unsuccessful.

5.5. Quality Improvements / Initiatives

The MSK incentive scheme has developed in some key areas since commencement of the current contract. Some specific areas of improvement include:

- **Use of technology –**
 - **Website and exercise prescription software:** Circle has developed an online resource with MSK expert information, videos demonstrating common exercises and self-management information. Also includes links to external resources and local complementary initiatives.
 - **Tablets to capture patient information:** Patient experience is collected both via paper cards and electronic tablets stationed in community locations.

- **E-Referral uptake:** has increased from 7% prior to contract award to 78%.
- **Patient journey app:** Circle MSK app enables patients to be provided with timely and useful information through their journey to major surgery
- **Stakeholder engagement** –
 - Circle MSK has developed relationships with 55 GP practices through targeted engagement strategies. The team has successfully increased referral compliance rates from 30% to 95% through GP engagement and the integration of MSK practitioners in primary care.
 - Education events with GPs on diagnosis methods and condition-specific sessions have helped to embed the service and improve integration.
- **MSK Practitioners:** This unique role developed by Circle enables specialist physiotherapists to deliver MSK clinics in a primary care setting (attended by patients triaged by their General Practice). MSK practitioners help to embed the MSK service within primary care teams, support strained GPs to manage patient demand and champion the service.
- **Treatment alternatives** as part of shared decision making for example:
 - Apos therapy, an innovative gait-correction footwear (<http://www.apotherapy.co.uk/en/home>)
 - MuJo therapy, an external shoulder device (<http://www.mujofitness.com/News>)
- **Patient experience** – includes expert patient development
- **Introduction of Physioline** – this contact and assessment service completed over the phone enables patient's rapid access to an MSK Specialist. Patients speak with an Enhanced Scope Physiotherapist, usually within 24 hours, to start managing problem quickly. This may result in triage to further services, self-management advice or physiotherapy advice over the phone. 9673 appointments (6200 initial consultations) have been undertaken through Physio Line from March 2016 to April 2017

5.6. Feedback from Primary Care

Primary Care perception of Circle MSK is varied and Circle have invested time and resource in improving the relationship and integration with primary care clinicians since service commencement.

For the purposes of this paper and to identify key areas that are working well and areas for improvement, a survey was sent out to practices on 30th March 2017. Whilst as at 17th April 2017, only 15 responses have been received, the survey has indicated areas for improvement:

- Improve clarity on the scope of Circle MSK, covering specific areas of confusion such as podiatry, pain management, rheumatology and hands.
- Improvement in the outcome letters to GPs, being clearer on the diagnosis and management plan
- Improvement in location for certain services reducing the need to travel to secondary care i.e. cortisone injections

The survey also captured areas of Circle MSK that work well:

- Single point of referral for MSK, reducing confusion on who and how to refer
- Reduces the impact on primary care resources by managing the whole patient pathway and avoiding the need for re-referral
- Physiotherapy services
- Patients are offered choice of provider where acute services are required
- Referrals reviewed quickly by Circle MSK

6. Financial Background and Context

The Prime Contractor model was an opportunity for Bedfordshire CCG to focus on improving outcomes, delivering pathway efficiencies, whilst maintaining the financial risk within a fixed financial envelope.

The model is a pioneering approach to outcome based commissioning and has been nationally referred to as an emerging model of commissioning best practice.

6.1. MSK Programme Budget

The contract value for the Circle MSK Service is based on an MSK programme budget approach i.e. the total cost of all MSK related activity regardless of care setting. This was calculated using the forecast outturn expenditure of MSK services in 2012/13 (Month 1 – 10), plus the expected growth rate for 2013/14.

6.2. Value for Money

Prior to commissioning Circle MSK, there were several MSK providers delivering separate components of the MSK pathway. Due to activity based data not being wholly available, accurately identifying an activity based value for money position is not possible.

The MSK programme budget is uplifted at a rate of 1.9% per year to accommodate for basic demographic growth and any additional growth is absorbed by Circle. Over the life of the contract, growth in referrals has increased at a considerably faster rate than growth in the Programme Budget. Circle has recorded an average growth of referrals into the system of 8% per year for the first three years of the contract.

Based on total MSK Programme Budget cost and assuming a conservative annual growth rate of 5%, the forecast financial benefit to the CCG is £4m at year 5, compared to the current and forecast cost of Circle MSK contract, inclusive of financial adjustments and profit-share. The year to date position (Year 1-3) indicates a total benefit of £600k.

Figure 3 indicates the year on year expected cost if the position pre-Circle continued, compared to the actual expense of Circle MSK, further Table 4 provides the actual cost variation between the two scenarios.

Figure 3 – MSK expenditure compared to projected costs

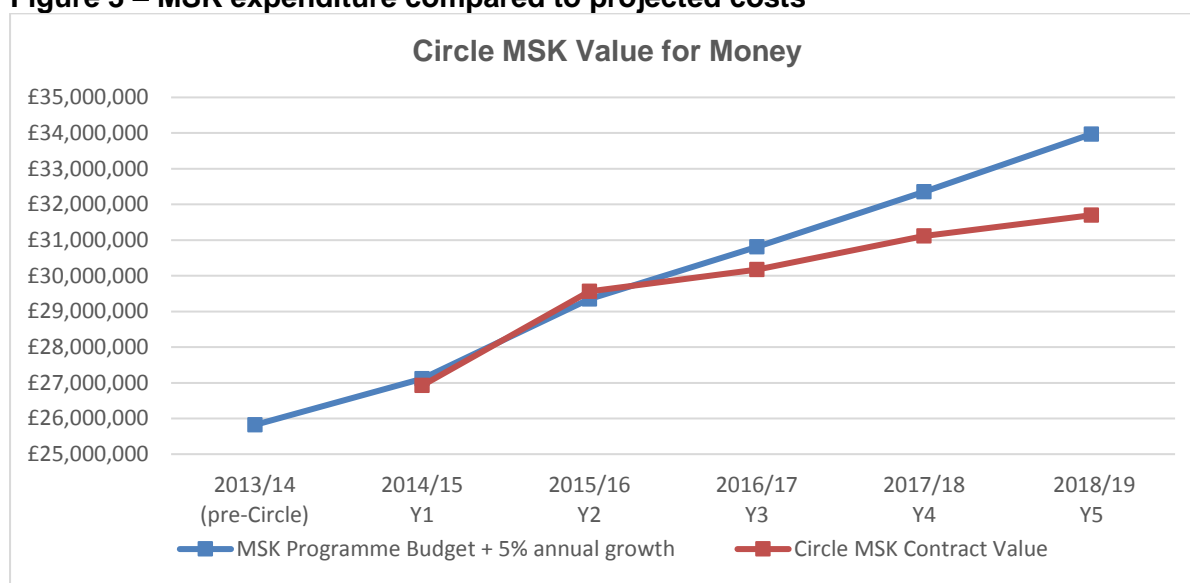


Table 4. Circle MSK Value for Money Forecast

Ref	Scenario	2013/14 (pre-Circle)	2014/15 Y1	2015/16 Y2	2016/17 Y3	2017/18 Y4	2018/19 Y5
A	MSK Programme Budget + 5% annual growth	£25,819,350	£27,110,317	£29,345,631	£30,812,912	£32,353,558	£33,971,236
B	Circle MSK Contract Value		£26,922,460	£29,563,378	£30,168,848	£31,116,786	£31,698,126
Variance (A-B)			-£187,857	£217,747	-£644,064	-£1,236,772	-£2,273,109

Annual growth assumption	5%
Total Y1-3 variance	<u>-£614,174</u>
Total Y5 variance	<u><u>-£4,124,055</u></u>

Additional benefits have also been realised in CCG Contract and Commissioning resourcing, due to a single contract replacing 20+ contracts prior to Circle MSK.

Further, NHS England RightCare compares spend and health outcomes compared to 10 peer CCGs based on population demographics. The data indicates that comparing Bedfordshire CCG to the peer group, spend in elective MSK is significantly lower than the peer group average.

7. Lessons learned and areas for improvement

The purpose of this section is to highlight areas for improvement when considering commissioning on a Prime Contractor Model.

7.1. Prime Contractor Model

The Prime Contractor Model was a new contractual framework for Bedfordshire CCG and in light of financial issues, it provided an opportunity to improve patient outcomes whilst reducing the financial risk of increasing demand.

On reflection, the following improvements would be made:

- MSK Service Specification and contract documentation to clearly articulate liabilities for referrals bypassing the service
- Clear understanding of the demand and capacity performance within the pathway i.e. 18 weeks Referral to Treatment Time (RTT) prior to service transfer
- Robust contract negotiations with acute providers to ensure agreed sub-contractor arrangements with prime provider
- Clear understanding of the patients receiving ongoing follow-up care within secondary care
- Clearly articulate the scope of the service to avoid confusion amongst referrers

7.2. Value for Money

A key recommendation when entering into a Prime Contractor Model is to ensure value for money can be determined. Whilst this paper indicates good value for money in relation to Circle MSK, this is based purely on cost.

If benchmarking data was available prior to Circle MSK, an activity based value for money model would help to determine where the financial efficiencies have occurred within the pathway and provide more granular insight into the benefits.

7.3. Demand Management

The inclusion of Shared Decision Making, effective physiotherapy and referral triage have added opportunities to manage increasing demand for MSK services, however Circle MSK reported a 20% growth in total MSK referrals during 2016.

It could be argued that a Prime Contractor Model, whilst offering fixed financial costs, leads to a perverse incentive for the CCG and Primary Care in effectively managing demand. An opportunity to consider when commissioning a Prime Contractor is the inclusion of effective demand management initiatives or a contractual model that offers the Prime Provider incentives to manage or maintain demand.

8. Conclusion

In conclusion, the Circle MSK service and the Prime Contractor Model has provided positive benefits to Bedfordshire residents and Bedfordshire CCG, including:

- Improvement in outcome measures, specifically focused on behavioral change, clinical and service effectiveness
- Delivery of £600k financial benefits to date with a Y5 projection of £4m benefits, reducing the ongoing financial risk of increasing demand
- Improvement in data quality, enabling monitoring of service outcomes and identifying key areas for improvement.
- Reduction in CCG resource requirements for contract management