The future of Mutuals in health & social care

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The future of Mutuals in health & social care

DH Department of Health

1. **The future of mutuals**
   - What will drive their success?
   - Case study - inclusion
   - The NHS Health & Social Care Bill
   - DH's role (SEU)

2. **Roll-out of patient choice of Any Qualified Provider**

3. **Integration**

4. **Social Enterprise Investment Fund**
   - Update
   - Future

5. **Conclusion – the national commitment**

The future of Mutuals in health & social care

Department of Health

1. The future of social enterprise
What will drive the success of mutuals?

- **Economics –** the NHS has to find £15-£20bn in efficiencies
- **Social return**
- **Inclusion** – mutuals can reach-out much more effectively to individuals & communities 'at the margins' (who are often high users of NHS services)
- **Catalysing improvements in quality**
- **Innovation** – show-casing & challenging incumbents (tele-care & tele-health)
- **Empowering clinical staff to innovate** - Right to Request/Provide
- **Creating new partnerships to enable integration/'joined-up services'**
- **Building social capital**
- **Reforming public services**
- **Enabling a 'Big Society'**

The future of Mutuals in health & social care

Department of Health

1. **The future of mutuals**

   What will drive the success of mutuals in health and social care?

Economics ..

- **The need to generate £15bn-£20bn efficiency savings remains**
- **Commissioners more than ever need to deliver on QIPP priorities**
- **Demographic and epidemiological demand drivers haven't gone away** (frail older people with multiple complex problems + 15m people with long-term conditions)

1. The future of mutuals

Implications …

- Commissioners need *innovative affordable* solutions
- Need to accelerate shift from hospital to community/home settings + get serious about secondary prevention (tele-care & tele-health)
- Delivering transformation of pathways is key
- Priorities? Avoiding/deferring expensive hospital and social care interventions
- Priorities? LTCs, services for frail older people, EoLC
- Different models of commissioning & contracting – prime contractor for whole pathways? Capitation payment?
- Focused tariff reform – to deliver better value + tackle perceived ‘cherry-picking’
- Contract reform – simplification & strengthening value levers

Department of Health

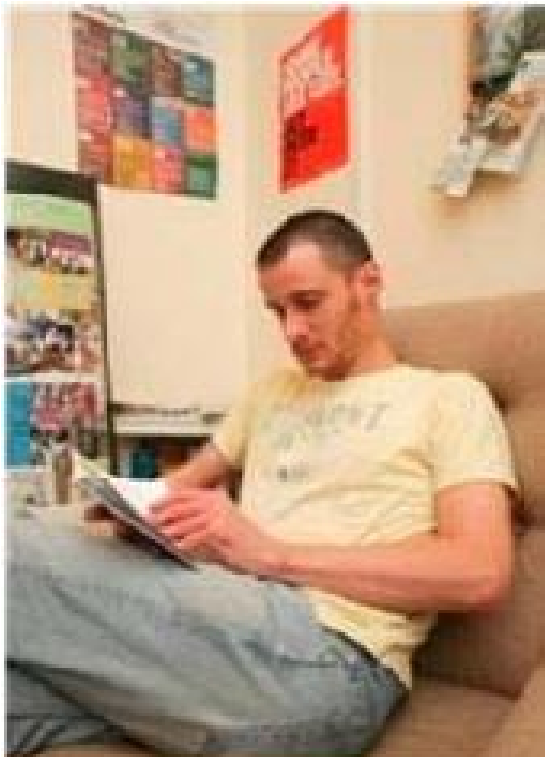
1. Mutuals – a case study
Inclusion Healthcare, Leicester:

- former NHS service whose staff have developed into a successful social enterprise under the Right to Request ('R2R') scheme
- provides a GP-led multi-agency one-stop-shop for over 1,000 homeless people. Offering a GP service, drop in centre, outreach and night shelter. Visiting agencies provide classes in numeracy and literacy skills for working life, plus computer training, art and home economics sessions
- led by two enterprising and committed clinicians, Jane Gray and Anna Hiley the team went through the R2R process, securing funding through the Department's Social Enterprise Investment Fund to help them develop their vision and business plan
- 1 September 2010 officially launched as a social enterprise, Inclusion Healthcare
- strong links with the local voluntary sector and developing new services

1. **Mutuals – a case study**
   Inclusion Healthcare, Leicester

A multi-agency one-stop-shop for homeless people offering a GP service, drop in centre, outreach and night shelter.

Visiting agencies provide classes in numeracy and literacy skills for working life, plus computer training, art and home economics



The future of Mutuals in health & social care

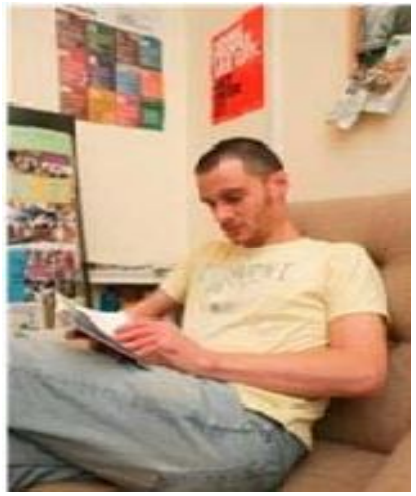
Department of Health

1. **Mutuals – a case study Inclusion Healthcare, Leicester:**

Key facts:

- Single homeless adults registered at 31 March 2010 **918**
- Consultations in 2009/10 **12,303**
- Staff employed at 31 March 2010 **12**
- WTE staff 2009/10 **9.94**
- Began trading as a SE Autumn 2010

Purpose: "*To improve the health and wellbeing of the homeless and other marginalised groups of people, by the delivery of responsive and high quality healthcare services*"



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Department of Health

1. Mutuals – a case study
Inclusion Healthcare, Leicester:

– **Jane Gray, Nurse Consultant, Inclusion Healthcare:**

"The benefits for us are about being able to respond to patient needs in real time and to develop services without having to gain fresh approval. It's about having the authority to act... We deliver on the front line and see the need and we don't want to be stopped by red tape."
"[Social enterprise] is a win-win for... the vulnerable people that we serve, but it also makes sense if you're looking at quality care and if you're looking at value for money as well."

- **Anna Hiley, GP, Inclusion Healthcare:**

"We are frontline clinicians delivering primary care to a group of people who are not well served by mainstream practice. We see the gaps in service, we want to be able to innovate and respond to that need flexibly and in real time, and we're hoping that that's what we'll be able to do as a social enterprise."

Department of Health

1. The NHS Health & Social Care Bill

- **Re-works/replaces most existing 'NHS legislation'**
- **Currently starting the Lords 'committee' stage** (today!)
- **Subject to Parliamentary approval:**
  - **Establishes a new commissioning landscape – CCGs & NHSC**
  - **Empowers clinicians in commissioning**
  - **Establishes a new sector regulator – Monitor**
  - **Enables fundamental reform of tariff**
  - **Changes & strengthens the accountability of the NHS to local people, communities and governors (FTs)**
  - **Frees NHS providers by building on previous reforms of NHSFTs & the move to an 'all FT NHS'; powers for Monitor over FTs until 2016**
  - **FT private income cap**
  - **Introduces a workable transparent Continuity of Service regime to protect essential services**

1. The NHS Health & Social Care Bill

The Health and Social Care Bill doesn't change:

- **Commitment to extending patient choice, or its legal status (NHS Constitution)**
- **Roll-out of patient choice of Any Qualified Provider**
- **PRCC**
- **Competition or procurement law, or their applicability**

1. The NHS Health & Social Care Bill

The commissioning environment

- **The Bill changes fundamentally the commissioning architecture, but *not* the key economic/strategic drivers**
- **New architecture – CCGs & NHSCB from 2013**
- **Sector specific regulations on commissioners**
- **NHSCB will set the choice offer & procurement guidance for CCGs** (working within the Mandate set by SofS, standing rules and regulations to address anti-competitive behaviour)
- **Commissioning capacity & credibility will be crucial**
- **Commissioning support = key**
- **Inevitably it will take time to transition to the new system**
- **But there are enthusiastic & credible clinical commissioners out there now**

1. The NHS Health & Social Care Bill

The regulatory environment – 'new Monitor':

Aim? To establish a sector-specific regulator that protects patients interests by regulating providers and commissioners to ensure that patients are able to access the best providers for their diagnosis, treatment and care.

Core duty: Its overarching duty is to **protect and promote the interests of patients** by promoting efficient, economic and effective healthcare services, which maintains or improves standards of care

1. The NHS Health & Social Care Bill

The regulatory environment – 'new Monitor':

Functions:

- **Licensing providers**
- **Regulating prices** (in collaboration with the NHS CB)
- Supporting commissioners in the delivery of **essential services**
- Enforcing regulations on commissioners regarding patient choice, procurement and prohibitions of **anti-competitive behaviour**
- Concurrent powers with the OFT to apply the **Competition Act**
- Retaining specific **oversight of Foundation Trusts** until 2016

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Department of Health

1. **DH's role – the Social Enterprise Unit:**

2011/12 - Continues unchanged

- **Right to Requests go live** (37 live + 8 to go)
- **Support for Right to Provides**
- **Policy – fair playing field**
- **Investment – Social Enterprise Investment Fund**

2012/13- Focus narrowed =

- **Policy – fair playing field**
- **Investment – SEIF & successor**

2. Roll-out of patient choice of Any Qualified Provider

Aims?

- To empower patients & carers
- To drive-up quality & responsiveness
- To enable innovation through market entry

Characteristics:

- All PCT clusters have to introduce choice of AQP in 2012/13 for at least 3 *community or mental health services* (national list of 8 or substitute)
- Expand further for 2013/14
- Once–only accreditation & registration, not procurement
- Competition on quality not price – national or local tariff
- Commissioning support packs in November (currencies, pricing, specifications for the national 8)
- For future, looking to explore for more complex networked services, e.g. how to embed elements of patient choice of AQP in managed maternity networks – offering appropriate choices, but providing safe, co-ordinated care

3. **Integration:**

- **Key priority where integrated solutions will demonstrably deliver better care;**
- **Range of options for models for integration**
- **Range of enablers –** Tariff & currencies; procurement models & rules; contract reform; licensing conditions

Role of Mutuals?

- **Informing needs assessment & commissioning**
- **As *collaborative* providers under AQP**
- **In new partnerships supporting new models**
- **As sub-contractors within prime contractor arrangements**

4. Social Enterprise Investment Fund

Context:

- Set up in 2007 to stimulate social enterprise in health and social care through providing investment (loans and grants) to enable start-ups and growth
- Managed on behalf of DH by the SIB, working together with Local Partnerships

Achievements:

- Invested £80m+ in 500+ organisations
- Includes grants of £69m+ and loans of £11m+
- In 2010/11 invested £40m+ in 270 SEs

Current activity:

- £15m capital & £4.5m revenue
- Capital growth programme to help existing SEs (12 months+) grow – closed in September
- Active support for ‘spin outs’

5. Health & social care – the national commitment on Mutuals

A coherent 'package' of commissioning & provider reforms:

- **Investment –** *Social Enterprise Investment Fund*
- **Enabling clinicians to lead-** *Right to Request & Right to Provide*
- **Creating a safe fair playing field –** *Monitor as independent sector regulator & competition authority; transparent enforceable rules; procurement & contract simplification & reform*
- **Creating opportunities** *– patient choice of Any Qualified Provider; personal budgets, partnerships with a wider range of autonomous providers – NHS FTs, CFTs, Right to Request social enterprises* (City Health Care Partnership CIC, Hull)