Potential Implications of the Provider Selection Regime

NHS Wales Commissioning of External Capacity

When NHS Wales has neither the internal capacity or specialist capability to meet patient needs it commissions this care from NHS England, the charitable sector or from private providers, collectively termed 'non-NHS providers'. NHS Wales currently procures services commonly regarded as 'NHS/Health and Social Care services' from across the border within England from these types of providers across a wide range of disciplines. Such services have been contracted on an NHS-to-NHS basis with NHS England organisations as well as with private providers whose headquarters/location of service delivery is in England. Health services purchased from England include Emergency secondary care services (complex/specialist care); Orthopaedics; Ophthalmology; Dermatology; Dental Services; Mental Health/Learning Disability Hospital care; Mental Health/Learning Disability Hospital/CAMHS/Care Homes; Training and Laboratory Tests; Pancreatic surgery; Multiple patient services/surgery. Total annual spend for such services equate to c£57m (based only on contracts let by NWSSP procurement services with English providers (both NHS and private) therefore not healthcare services spend such as NHS to NHS).

NWSSP Procurement Services (PS) currently access a number of English framework agreements in order to award contracts for the purchase of products and services for the provision of health care provision. Framework providers include NHS Shared Business Services, Health Trust Europe, NHS Blood Transfusion (NHSBT), Scottish National Blood Transfusion Service (SNBTS), Irish Blood Transfusion Service (IBTS), Central Medicines Unit, NHS England & NHS Improvement, and NHS Commercial Solutions with a total annual value of call offs is c£100m. Call offs from frameworks include outsourced clinical services, radiology reporting services, clinical managed services for breast radiology services, histopathology reporting, testing, DNA extraction, blood products, population health management and inventory management. At this juncture there have been no indications, from English framework providers, of an inclination to cease the provision of framework agreements however it has been noted, of late, that a number of English frameworks are not being renewed which is requiring NWSSP PS to support in the delivery of an all-Wales agreement to ensure that NHS Wales has a framework to call off in the future.

Access to English framework agreements has afforded NHS Wales opportunities to put in place a solution for patient treatment/care, and the purchase of critical products/services relatively quickly. Should such frameworks cease, it would be necessary to take required steps to support areas of expenditure in the establishment of NHS Wales framework agreements. The implications of not being able to call off such products/services would result in a requirement to undertake a full procurement resulting in additional resource, time and effort required from NWSSP PS and key stakeholders from NHS Wales, a loss of access to expertise and potentially increased prices due to loss volume discount arrangements. This would incur additional procurement activity for NHS Wales in addition to the management of the framework during the term of contract. To move away from English frameworks/providers would require significant planning and resources (capital and staffing) due the size of the service across Wales.

NHS Wales can continue to draw opportunity from undertaking national procurements on behalf of all Health Boards, and if applicable combining the requirements of social care organisations. Therefore, in consideration of buying power Wales may benefit from still attracting the attention of English providers as, with the exception of large English CCG's/Trust, this may still provide significant opportunity. However, at this juncture it is not possible to quantify such impacts however notable may be the question as to providers appetite to bid to be part of such frameworks when they may show preference to collaborating with NHS England bodies (under PSR) whom they can establish more collaborative working relationships with rather than enter into an arm's length/adversarial tender processes.

Potential Impact of PSR

PSR will govern the arrangement of healthcare services in England delivering upon the ambitions set out within NHS England of a Long-Term Plan (proposals for possible changes to legislation), 2019. The Green Paper 'Transforming Public Procurement' and NHS England of a Long-Term Plan considered the need to enable the promotion of the 'triple aim' of better health for everyone, better care for all patients, and sustainability by organisations working together to redesign care around patients, removing current barriers to future success. Effectively NHS England are removing processes deemed burdensome and wasteful when commissioning healthcare services.

Until the roll out of the PSR regime in England it is difficult to comprehend the potential impact and cost of having a stricter/time consuming/costly procurement mechanism in place in comparison to the proposed PSR. At this stage there are no clear indications that health and social care organisations would cease procurement activity with surrounding nations once the PSR is in place.

A risk may exist in England's promotion of the 'triple aim' of better health for everyone, better care for all patients, and sustainability by organisations working together to redesign care around patients, removing current barriers to future success. A matter for consideration is the relationship's that may be borne as part of the regime change, namely the involvement of organisations outside of the NHS/LA (CCGs, NHS trusts, foundation trusts and local authorities) i.e., 3rd sector and private organisations resulting in potential affiliation/arrangements forming between NHS bodies and 3rd sector/private organisations. It is difficult to understand the full impact on NHS Wales therefore we are only able to, at best, make assumptions of its impact and contemplate 'what if' scenarios. The following assumes that private/3rd sector providers may secure future demand for healthcare services via 'Joint Committee' affiliations. If this was the case NHS Wales may be impacted due to potential prioritisation of service for NHSE patients, by means of an example bed blocking of mental health/learning disability beds. The net impact of this, for current contracts, may be that we would not have sufficient Mental Health and Learning Disability (medium secure/low secure/locked/open rehabilitation/CAMHS) beds, also providers may not wish to go through a lengthy procurement process to gain access to one of NHS Wales frameworks and all of the quality controls that come pre and post award. Other specialist services currently commissioned by NHS Wales are proton beam therapy; PET scans; acute services; emergency secondary care services (complex/specialist care); and multiple patient services/surgery.

For Aneurin Bevan University Health Board and Betsi Cadwaladr University Health Board there may be some cross border activity in Bristol and Shrewsbury, if providers based within these areas have a partnership arrangement with the local Trust this may impact on their future use. A further risk may be that NHS England organisations may create partnership relationships with market leaders, leaving NHS Wales with a reduction in companies with the capacity and capability to deliver future requirements.

An unintended consequence of the legislative changes for England may result in NHSE/private and 3rd sector providers no longer wishing to support NHS Wales frameworks/contracts for healthcare services procured under the Public Contracts Regulations 2015. The worst-case scenario may be a reduction in the availability of cross border services to NHS Wales which are currently critical to the delivery of care for vulnerable and sick patients. Therefore, a potential reduction in capacity, though the true impact of this is unknown.

To summarise: The true impact on NHS Wales will not be known until after PSR has been introduced. At this stage we do not know whether English frameworks will be accessible to NHS Wales following the regime change and the introduction of the PSR regime in England; there may be a reduction in providers wishing to participate in an NHS Wales frameworks/and or contracts; without the interest of providers in bidding for NHS Wales future contracts NHS Wales may struggle to deliver care for very vulnerable patient groups.