

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
Welsh Government

Nick Ramsay, AM
Chair
Public Accounts Committee
National Assembly for Wales
Cardiff Bay, Cardiff, CF99 1NA

Our Ref: AG/JM

24 October 2016

Dear Mr Ramsay

Public Accounts Committee – update on implementation of recommendations from Auditor General for Wales reports:

- **Review of the Impact of Private Practice on NHS Provision (Published February 2016)**
- **Orthopaedic Services (Published June 2015)**

Review of the Impact of Private Practice on NHS Provision

Recommendation 1:

The guidance from the Welsh Government on how to manage private patients onto the NHS waiting list conflicts with other guidance and is not reflected in the routine referral to treatment documentation used by NHS bodies, resulting in a lack of awareness and inconsistencies on where private patients are placed if they join an NHS waiting list. The Welsh Government should therefore adopt the approach set out in UK-wide and professional body guidance, ensuring that the referral to treatment documentation used by NHS bodies is updated to reflect this. Health boards and trusts then need to ensure that this guidance is implemented by all staff involved in the administration of referral to treatment pathways within health boards and trusts.

Update Accepted

We will look to redefine the Welsh guidance as part of our review of the RTT rules to ensure consistency and then confirm requirements to the NHS for health boards and trusts to implement. This will form part of a proposed revised Welsh Health Circular (WHC) and guidance which will consolidate multi policy issues around the management and responsibilities of undertaking private practice within NHS facilities, any early draft has been developed and will be shared with NHS for initial thoughts.

Recommendation 2

There is currently no requirement for health boards and trusts to identify private patients reverting to NHS treatment on their patient administration systems, which makes it extremely difficult to establish whether these patients are gaining faster access to NHS treatment. The Welsh Government should update the NHS Wales Data Dictionary and mandate the identification of private patients entering NHS waiting lists to enable regular monitoring to take place. Through the revised guidance set out in recommendation 1, the Welsh Government should also set out an expectation that health boards and trusts will regularly monitor the waiting times for this cohort of patients

Update Accepted

The Welsh Government will work with NHS bodies, to identify how to capture and report both private practice undertaken in NHS facilities and how patients may join an NHS waiting list from a previous private patient status and vice versa. This work will be assured by the Welsh Information Standards Board and, when approved, will be mandated through a Data Standards Change Notice and incorporated in the NHS Wales Data Dictionary.

Recommendation 3

Private practice can play an important role in attracting consultants and generating income for the NHS yet local policies lack clarity on when and how much private practice can take place in the NHS, and monitoring arrangements to ensure that NHS provision is not affected are weak. Where private practice is undertaken in NHS facilities, Health boards and trusts should ensure that policies clearly state when and how much private practice, and specifically inpatient activity, can take place to minimise the impact on NHS resources. Private practice activity should be collected and reported in line with the requirements of the Competition and Markets Authority, and this information should routinely form part of the annual job planning process for all relevant consultants to ensure policies are complied with.

Update Accepted

The Welsh Government is establishing, with NHS Employers, a Task and Finish Group in order to undertake a review of existing guidance to ensure it reflects all relevant responsibilities and strengthens existing monitoring arrangements. We have already reminded NHS organisations in Wales of their obligations under the Competition and Markets Authority Order.

Recommendation 4

The processes for recouping the costs associated with the provision of private practice within NHS facilities are cumbersome and often reliant on out-of-date and incorrect information. Health boards and trusts should ensure that sufficient attention and resources are given to the cost recovery process. The level of resources should be reflective of the scale of private practice undertaken but should be sufficient enough to provide robust assurances to boards that income is being appropriately recovered. A single-invoice system can assist with full cost recovery and has already been adopted in a number of health boards. Those health boards and trusts which are not currently operating this system should give urgent consideration to doing so.

Update Accepted

The Welsh Government, in joint partnership with the NHS through the NHS Medical, Finance and Information Directors, will share processes from across Wales to agree an all Wales consistent process. A Welsh Government and NHS working group will be convened to maximise learning and best practice in support of a consistent approach to the management and reporting of private practice within and using NHS resources.

Orthopaedic Services.

The recommendations have been accepted and are being taken forward with the support of the national orthopaedic implementation group. A summary of progress against each action is captured below:

Progress against the recommendations for the WAO Orthopaedic review 2015**Recommendation 1**

The wait associated with the CMATS is currently excluded from the 26-week target, although some services are based in secondary care and there are variations in the way in which CMATS are operating. As part of the response to recommendation 3 in the Auditor General's report **NHS Waiting Times for Elective Care in Wales**, the Welsh Government should seek to provide clarity on how CMATS should be measured, in line with referral to treatment time rules, to ensure that the waiting time accurately reflects the totality of the patient pathway.

Update Accepted

Through the national orthopaedic implementation board they are currently developing a national specification for CMATS. This national specification will ensure compliance with the RTT revised rules and clearly state when an RTT clock should start and or stop. This will be reflected within the revised RTT guidance being reviewed as part of the recommendations to the **NHS Waiting Times for Elective Care in Wales**

Recommendation 2

Our work has identified that the rate of GP referrals across health board areas varies significantly per 100,000 head of population. The variations are not immediately explained by demographics suggesting differences in referral practices and potential scope to secure better use of existing resources by reducing inappropriate referrals. Health boards should ensure that clear referral guidelines are implemented and adhered to, and that appropriate alternative services are available and accessible which best meet the needs of the patient.

Update Accepted

Referral guidance forms part of the national outpatient redesign programme which reports to the planned care board. Orthopaedic referral guidance will be covered through this and supported by the national orthopaedic implementation group to ratify national guidance as necessary.

Recommendation 3

Despite improvements in efficiencies, NHS Wales is still not meeting all of its efficiency

measures related to orthopaedic services. Our fieldwork showed that there is scope for even better use of orthopaedic resources, particularly in relation to outpatient performance. As part of the response to recommendation 2 in the Auditor General's report NHS Waiting Times for Elective Care in Wales the Welsh Government and health boards should work together to reshape the orthopaedic outpatient system and improve performance to a level which, at a minimum, complies with Welsh Government targets and releases the potential capacity set out in Appendix 5 of this report.

Update Accepted

Through the national efficiency board they have requested a review on possible national areas of focus to support NHS efficiency and productivity. Planned care and a number of possible efficiency measures have been proposed for review, this work includes measures for orthopaedics.

Recommendation 4

Our work has identified that, at a national level, there were weaknesses in the ability to influence the delivery of the National Orthopaedic Innovation and Delivery Board's objectives within health boards and to monitor and evaluate efforts to improve orthopaedic services. When establishing similar national arrangements in the future, including the National Orthopaedics Board, the Welsh Government should ensure that the factors that led to the weaknesses in the Delivery Board are considered and actions are put in place to mitigate those weaknesses being repeated.

Update Accepted

Regular reports on progress against the national orthopaedic plan is prepared and shared with NHS chief executives to raise its profile and challenge pace of change. It is expected that evidence of local planning in line with the national plan forms part of the assessment and agreement of the IMTPs each year

Recommendation 5

All health boards have made some progress in putting in place alternatives to orthopaedic surgery, specifically CMATS, but our work found that these are often small scale, at risk of funding pressures and lack any evaluation. The Welsh Government and health boards should work together to undertake an evaluation of CMATS to provide robust evidence as to whether they are providing sustainable solutions to managing orthopaedic demand.

Update Accepted

Through the national orthopaedic implementation board they are currently developing a national specification for CMATS. Each health board will then be expected to review their service against the guidance to look at how their current provision meets the specification and how it could further improve.

Recommendation 6:

NHS Wales collects and produces a great deal of information about the performance and activity of musculoskeletal services, however, data relating to patient outcomes and

patient experience is much sparser. The Welsh Government and health boards should work together to develop a suite of outcome measures as part of the Outcomes Framework, supported by robust information systems, which provide comprehensive management information as to whether orthopaedic services are demonstrating benefits to patients and minimising avoidable harm.

Update Accepted

National work on collecting patient reported outcomes (PROMs) and experience (PREMs) measures has begun with orthopaedics being the first area of review. The work commenced in BCU but is now being rolled out through a phased approach across all health boards.

Yours sincerely



Dr Andrew Goodall