



**Leicester City Clinical Commissioning Group
West Leicestershire Clinical Commissioning Group
East Leicestershire and Rutland Clinical Commissioning Group**

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Update on UHL contract position for 2019/20 at Month 2

UHL Position M2

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- Position significantly over spent with an LLR wide £5.3m variance at M2 and forecasting an LLR wide £21.7m year end variance (UHL FOT is £16m and this is being reviewed with UHL to understand the difference between CCG contract team and UHL)
- This is driven by increases in both activity and average price
- The activity variances are being managed through the activity triangulation process which aims to isolate the causes of the variance and recommend action to control it
- The price increases are being challenged as coding and counting increases

CCG Acute Contract Team Forecast variance position for UHL Contract 2019/20 Month 2

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All Figures in £k

| Reporting Category | YTD variance as reported by UHL | Forecast position before adjustments | Forecast QIPP | Challenge adjustment | Final reported Forecast Variance | UHL expected Variance |
|--------------------|---------------------------------|--------------------------------------|----------------|----------------------|----------------------------------|-----------------------|
| Planned Care | £1,197 | £12,332 | -£5,193 | -£51 | £7,088 | £6,410 |
| Urgent Care | £2,750 | £17,859 | -£1,218 | -£5,287 | £11,354 | £8,327 |
| Other areas | £414 | £1,789 | £0 | -£237 | £1,553 | £1,189 |
| Contractual items | £96 | £536 | £0 | £0 | £536 | £140 |
| Untransacted QIPP | £860 | £1,199 | £0 | £0 | £1,199 | £1,199 |
| Grand Total | £5,317 | £33,715 | -£6,410 | -£5,575 | £21,729 | £17,266 |

| | | |
|----------|------|--------|
| Of which | East | £5,937 |
| | City | £8,960 |
| | West | £6,832 |

Non Elective Activity –the main issues

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- This shows a rise in activity from M7 2018/19 which has been sustained into 2019/20 and is the main driver of non-elective activity over performance. This is across all main urgent care specialties and was subject to an AQN in 2018/19 . The A&E delivery board had a system workshop 2 weeks ago and have identified a number of areas to target to impact on reducing activity –
 - Mental health pathways
 - 0 – 25 year olds
 - Same day emergency care pathways – e.g. rapid chest pain pathway etc.
 - Reduce readmissions
- Case mix variance is about 2/3rds of the variance. There are several identified drivers:
 - Therapy coding has greatly increased. UHL have recognised that this has a financial impact and agreed to neutralise it as per contractual rules. The estimated impact is around £3m FYE and will be adjusted for in challenges
 - Mental health coding has increased; probably due to the CQUIN on mental health identification in ED. As this was an 2018/19 CQUIN there is no neutralisation in 2019/20
 - General depth of coding has increased especially for long term conditions/co-morbidities. UHL do not recognise this and so this is currently in challenge for 2019/20
- It should be noted that variance from ED, admission avoidance and non-elective admissions is offset by the blended rate adjustment at 80%. However, this is only up until a point which is likely to be passed if M2 is indicative of the yearly trends meaning the marginal reduction

Planned care – the main issues

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- **Day cases**
 - one of the main drivers of over spend in planned care - driven by general surgery ; gastroenterology and breast surgery. These have been raised at the Activity Triangulation Meeting and we are working with the Trust to establish the drivers. It was decided that the variance in general surgery required escalation as it appears that the division removed all activity done outside core hours from their 2019/20 plan but have continued to perform this activity into 2019/20.
- **Outpatients and unbundled diagnostics**
 - Outpatients as a whole are currently £98k over plan although this includes an identified problem where GPAU has the wrong price and pre-operative assessments on the same day are erroneously being charged. Due to these two issues hampering the understanding of the outpatient position the whole of outpatients has been put under challenge.
 - Outpatient procedures have a large adverse variance driven by ENT, dermatology, gynaecology and Ophthalmology. New mandatory NICE guidance requiring all wet AMD treatment to begin in two weeks is driving the variance in Ophthalmology and this is likely to continue through the year. Dermatology saw a large number of 2WW referrals last year which is thought to be driving the high number of procedures and activity is expected to continue at this level through the year. The variance in gynaecology is thought to be largely due to a data error which has been acknowledged by UHL and will be corrected at M3.
- **RSS work programme is being implemented in a phased approach and there are positive early signs in terms of reducing secondary care activity**

Strategic approach

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- Escalation to Chief Officers following letter to John Adler from Sue Lock as STP lead expressing concern at the level of activity undertaken by UHL to M2.Ddiscussed at Chief Officer meeting 10th July and early warning noted re potential level of over performance. The following was also requested:
 - Review by the System Sustainability Group
 - Agreement to urgently develop a system financial recovery plan
 - Monthly review and triangulation with UHL re year to date position and forecast outturn.
 - On going review by key groups to identify opportunities to bring activity back to plan