



## Understanding Clinical Commissioning

Simon Brewer *CSol FIBMS BSc(Hons)*  
SWLP Managing Director

August 2024

## NHS Structure & Funding



Parliament	3 Years Spending Review	
Department of Health & Social Care	Devolved Budgets Health & Social Care	
NHS England (Merger of NHS, HSE & NHS Digital)	7 Health Regions Executive Agencies (NHSX, NPSA, NICE, etc.)	
Integrated Care Systems	42 ICS's Integrated Care Partnership & Integrated Care Boards	
Health Care Providers	Health Care Providers Primary / Community / Secondary	
Patient Care	Localities	<p>£188bn to England</p> <p>£107bn to ICS £27bn direct award</p>

## NHS Funding Sources 2023/24

Parliament allocated DHSC £188bn from spending review (review every 3 years)

£170 bn to Healthcare

£17 bn Infrastructure

DHSC directly funds executive agencies including: MHRA, UK Protection Agency, NBS, CQC, NICE, HTA, HTE

£160bn allocated to NHS England

NHS England is a merger of NHS Improvement, Health Care England and NHS Digital (2022)

NHS England Allocated £107bn to 42 ICS for Healthcare.

From April 24 - 59 Specialist services are delegated within 3 / 7 health regions

ICS's use a combination of Allocation through block contract, Competitive and Direct award to offer differential contracts to multiple providers


ICS responsible for £27bn direct commissioning

1. Planned Care / Public Health
2. Military Healthcare
3. Justice Systems Healthcare - Prisons
4. Specialised Services - Various

154 programmes funded through Six groups of programmes of Care

1. Internal Medicine,
2. Cancer Care,
3. Trauma Programmes,
4. Women & Children,
5. Blood & Infection &
6. Mental Health

*E.g. Newborn Screening*



## Integrated Care Systems

Instigated 1<sup>st</sup> July 2023 – (Health and Care Act 2022)

Two clear aims:

1. A move to Strategic Commissioning of services
2. A collaborative Approach to planning care

Four Main Purposes:

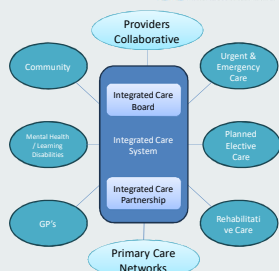
1. Improving Population Outcomes
2. Tackling Inequalities (Patient Experience & Access)
3. Productivity & Value for Money
4. Social & Economic Development

Two key structures:


1. Integrated Care Board (ICB) – Legal Entity
2. Integrated Care Partnership (ICP)

Three Practical Responsibilities:

1. Population Health Planning,
2. Managing the NHS Budget &
3. Ensure provision of Health Services)



## Integrated Care Systems



Integrated Care Board (ICB)

Around Local Authority Boundaries

E.g. SWL ICS – 6 Boroughs

Legal Entity with defined structure

Chair / CFO / NHS Provider CEO's / GP's & Local Authority

Integrated Care Partnership (ICP)

ICB Board & Local Councils / Voluntary / Charity / Social Enterprise (VCSE)

Housing / Justice / Police

Within each ICS there are:

Provider Collaboratives to engage an acute provider perspective and insight and to help planning of services

Primary Care Networks (PCN's - 1300 nationally)

in operation over England in localities and which bring together primary care providers to help engage, plan and develop healthcare services within the locality.

ICS responsible for £27bn direct commissioning of healthcare services.

1. Planned Care / Public Health
2. Military Healthcare
3. Justice Systems Healthcare - Prisons
4. Specialised Services - Various

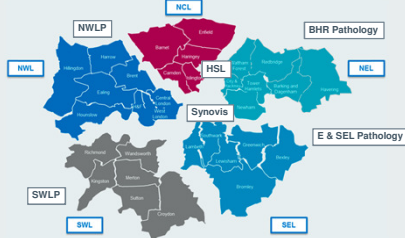
154 Six groups of programmes of Care

1. Internal Medicine,
2. Cancer Care,
3. Trauma Programmes,
4. Women & Children,
5. Blood & Infection &
6. Mental Health

*E.g. Newborn Screening*

## London Region – Pathology

### 5 Networks – London 1 – London 5



The NHS Long Term Plan

South West London Integrated Care Partnership Strategy 2023-2028

Our five-year plan for the NHS in South West London

South West London Integrated Care System

Pathology needs to align to and understand and be involved and engaged in the wider ICS discussions.

*With this will come greater leverage, increased profile and greater success at attracting investment and incremental resources.*

**Innovation, Impact & Outcomes**

Understanding Clinical Commissioning

### Case Studies – SWL Virtual Wards

Referral to a Senior Clinician

Patient meets admission criteria or alternative care pathway

Admit to virtual ward      Alternative care pathway, e.g. Hospital / SDEC / UCR / hospice

Personalised Care – Treatment Plan starts

Integrated care MDT      Diagnostics (including Point of Care Testing)      Support services e.g. pharmacy and OPAT

Monitoring (remote and face-to-face) and daily review of Treatment Plan with shared decision making

Review response to treatment and reconsider alternative care pathways with shared decision making

Remain on virtual ward      Hospital admission      Discharge home or alternative care pathway

NHS Long Term Plan  
Local SWL ICP Strategy  
Local Engagement  
Business Plan Creation & Approval  
3 Yr Funding Secured from SWL ICS  
Working Group Formation  
Go Live - 2023

100 Bed Capacity in Virtual wards created.

ESTH; Length of Stay has dropped by an average of 2-3 days

Croydon: 162 / 250 virtual ward patients remained at home (65%)

POCT team and Pathology were integral in the SWL ICS project, business case creation, deployment and Go Live and now auditing the benefits

Understanding Clinical Commissioning

### The Mechanics of Clinical Commissioning

Procurement processes can be complicated, time consuming and open to legal challenge. Pathology is a very litigious market, and the commissioning of services is often undertaken through a Tendering and bidding process for elements of pathology services.

Currently the volume of tendering for services is reduced as Pathology networks are forming and working to consolidate services which reduces variation, increases standardisation & lowers costs.

In time the ICS's will aim to secure services elements of service for innovation and improvement which aligns to their patient population, locality and to the priorities of their ICP planned strategy.

**Compliance with Public sector procurement legislation**  
1st Jan 2024 HealthCare Services (Provider Selection Regime) Regulations 2023. A further change from October 2024 to transform public procurement programme. (Replacing regulations from 2011 – 2016)

The Transforming Public Procurement programme aims to improve the way public procurement is regulated in order to:

- create a simpler and more flexible, commercial system that better meets our country's needs while remaining compliant with our international obligations
- open up public procurement to new entrants such as small businesses and social enterprises so that they can compete for and win more public contracts
- embed transparency throughout the commercial lifecycle so that the spending of taxpayers' money can be properly scrutinised.

Understanding Clinical Commissioning

### The Mechanics of Clinical Commissioning

ICSs are now established and will be maturing over the coming years so increased commissioning to be expected

Commissioners

- Commission services to an agreed Specification / Standards / Price
- Demonstrate value for money and secure best price
- Multiplicity of providers / contracts – Non bias and effective use of funds
- From Oct 2024 - Provider Selection Regime (PSR) & Public Contracts Regulation (PCR)
- Procurement Act 2023 (moving on from EU regulations - replacing PCR 2015)
- Removes Commissioning of clinical services from PCR to make this a different process.

Healthcare Providers

- Acute / Primary Care / Social Care
- Directly allocated funds through a block contract
- Competitive procurement process through framework / OJEU process.
- Two mechanisms : Payment by results (PBR) / Non- Payment By results (Non PBR)
- Robust contractual arrangements in place – locally managed
  - Greater Oversight and assurance of service provision
  - Increase Accountability / Ownership of service development and service issues
  - Demonstrable quality of services and evidential performance of delivery
  - Improved resilience of service provision / Business Continuity

Understanding Clinical Commissioning

### The Mechanics of Clinical Commissioning

ICSs are now established and will be maturing over the coming years so increased commissioning to be expected

Proposed amendments to the 2023/25 NHS Payment Scheme

Consultation notice

**TheKingsFund**

Key

- National body
- ICSs
- Provider organisations

Understanding Clinical Commissioning

### The Payment Mechanisms within the NHS

Majority of funds flow in the NHS via the Block Funding – Healthcare Resource Groups (HRG Tariffs)

Significant investment in 'Clinical Coding' to get the correct Tariff – used for activity and finance tracking

Direct Access Services to Primary Care are out of scope for HRG's but included in the Block Funding.

Limited adjustments possible for Block Funding. Some funding is separated into Bundles, PbR and FFS.

1. Block Funding

2. Payment by Results (PbR) and Fee for Service (FFS)

3. Payments for quality and outcomes

4. Bundles payments

5. Capitation & Risk Payments

Annual pricing is reviewed with ICS with review of activity and costs / HRG tariffs etc from Sept / Oct each year.

The proposed business plan informs expenditure for the next financial year. Business plans submitted in Jan and agreed by April each year.

Understanding Clinical Commissioning

## So what are the implications for Pathology? What is the future of Pathology in the UK?



*'If you put your mind to it, you can accomplish anything'*  
Marty McFly – 'Back to the future 1985

## NHS Pathology Development

- 1980s **Hospital Departments** (200+) Limited Private labs
- 1990s **Pathology Services** (128 Trusts) Limited Private labs
- 2018 **Pathology Networks** (27 - NHSe) Consortia & Joint Ventures
- 2030 **?? - Pathology Trusts** (Regional) Special Purpose Vehicles



*"If you always do,  
as you always did,  
you'll always get what  
you always got."*



## Why Networks?

To help us **transform** Pathology

To be different,  
To be cost effective,  
To be more efficient.

To **innovate** the NHS pathology

## NHS Future Pathology Services

Every test result  
can have a  
significant impact...

...life-making  
...life-giving  
...life-saving  
...life-taking

At scale  
we can...

...reduce our costs  
...standardise and simplify  
...attract investment and innovate through technology  
...have greater autonomy, flexibility and resilience  
...invest in Staff Training and Development,  
...improve Quality and Performance  
...develop skills and competencies

At scale we have a **louder voice** and **greater impact** to transform diagnostics

## NHS Future Pathology Services

Using expertise, experience and scale to introduce a new paradigm of service delivery

- Different **modes of delivery**  
(Acute, commercial, local)
- **Independent Governance** model to acute trusts  
(Pathology Trusts)
- Regional **geographies, scale and scope**
- **Shared facilities** between networks – large warehouses
- **Self managed logistics**, suppliers are partners / landlords
- **Trusts** are customers / ICBs are commissioners
- Service User Interface developed – **customer focus**
- Operating out of **Middleware / LIMS** / greater integration to other clinical systems
- **Outsourced Pathology Services** model – Customer KPIs
- **Acute Lab** based at Trusts, redefinition of discipline boundaries
- **Standardised** ordering - standardized nomenclature and reporting
- **Regional Hub** labs (High Volume) – Robotics, A.I.
- **Locality based** point of care teams. Locality based medical teams
- **Phlebotomy Clinics** - Domiciliary Phlebotomy
- **Schools of Pathology** - regional/focused/ self-funding