

**Review of Cumulative Performance against Service Level Agreements
July 2008**

1. Executive Summary

1.1 This paper provides a review of the Trust's delivery against commissioned levels of activity to date.

2. Background

2.1 The Trust had been commissioned to deliver £171.7m of activity from nine commissioners that was deemed by them to be sufficient to deliver their access targets. However, some commissioners have downsized their activity plans assuming successful implementation of demand management schemes, despite the Trust's view that they were unlikely to deliver the reductions in referrals expected. As a result, the Trust has included £1.2m in its income budget to reflect this under-commissioning. The Trust has budgeted a further £1.8m of income from other PCTs who do not have contracts with the Trust, based on past activity.

2.2 The various types of activity are phased across the year on an appropriate basis, being a mixture of calendar days, previous patterns and working days. This was outlined in detail in the April Report. There is £5.45m which is paid for on a block basis, most of which is for aspects of Maternity services. The Trust is endeavouring to transfer this on to a cost per attendance basis for next year to ensure that it gets paid for what it does. Work has now started to transfer data from diaries on to the main PAS System to enable an accurate costing of the service provided in respect of Community ante-natal services.

3. Current Position

3.1 Appendix 1 details performance by type of activity.

The table below analyses the financial position by commissioner:

Commissioner	Annual Plan	Plan to May	Actual	Variance	Variance Prior Month
	£000	£000	£000	£000	£000
West Herts	162,242	54,550	55,544	994	979
East & North Herts	449	149	282	133	50
Total Herts	162,691	54,699	55,826	1,127	1,029
Barnet	715	241	245	5	6
Bedfordshire	497	166	259	93	69
Brent	261	88	90	2	8
Buckinghamshire	565	191	222	31	22
Harrow	2,078	700	821	121	100
Hillingdon	4,191	1,410	1,330	-80	-26
Luton	635	212	259	47	40
NCA, etc	1,838	609	496	-113	-99
Budgeted over-performance	1,192	400	900	500	2
Total	174,663	58,716	60,448	1,733	1,144

3.2 The above value for actual activity assumes that the 2,187 spells not coded on 1st August when the data was extracted are coded within the required national timescale. By the end of March 2009 the National Contract requires the Trust to have 95% of its spells coded by the fifth working day of the following month. Current performance is that almost 70% of spells are coded within the month of discharge. As of today's date the number of uncoded has fallen to 1,218.

3.3 The PCTs do not pay when planned procedures are not carried out due to Trust operational issues. This requires each such instance to be investigated and therefore the financial impact is reflected in the following month. As a result, figures have been adjusted to reflect 93 April to June spells not now being found to be chargeable to commissioners. The figure for July is likely to be about 25 spells with a potential over-reporting of income of up to £25k.

3.4 Data extraction was undertaken on the 1st working day of the month. Delays in entering data into the Patient Administration System (PAS) mean that overall activity levels are usually understated and rise over the remainder of the month. It has been decided that this movement should be reflected within the monthly financial position at the summary level rather than at individual PCT. A notional figure of £500k has been arrived at for July and is shown against the budgeted over-performance line. It is expected that this will fluctuate each month dependent upon the overall activity.

4.0 West Herts PCT

This Contract represents 93% of our planned SLA income. As can be seen above, the Trust is £994k above planned financial levels. This is an increase in the month of £15k.

Emergency activity is 336 spells below plan most of which relates to General Medicine and Elderly Care. At the end of June the two specialties were 155 spells below plan. Non-Elective Care which is mainly Obstetrics and Paediatrics is 80 spells below plan, The admissions that do not result in a birth are grouped under HRG Code N12. Where such admissions are less than 4 hours, it is a national PbR requirement that such spells not be treated as an admission but as a ward attender. The Trust is not yet able to identify whether a patient has stayed for more than 4 hours but has commissioned a software enhancement to the Maternity System to provide this. In the meantime, N12s have been discounted

Elective work is 294 spells (Orthopaedics 161) above plan, an increase in over-performance of 14. Urology and ENT over-performed by 48 and 33 spells respectively in the month. The over-performance is being driven by the impact of higher than expected referrals converting into inpatient spells. Clinical Haematology is the only specialty that is under-performing to any great extent. However, due to significant over-performance last year, the PCT did commission at a higher level.

First outpatient attendances are 6,459 above plan & outpatient follow-up attendances are 2,294 above plan. West Herts PCT also reduced activity to reflect the full-year expected impact of the various CATS that had been implemented last year. As previously reported the expected impact of CATS has not yet materialised. The Trust has recorded 2,194 outpatient procedures that attract a higher tariff than a follow up which is how they had been previously recorded. This is a large increase on the 894 reported at the end of June but this is because there has been an element of catching up in the re-classification.

There have been 825 A & E and MIU attendances more than planned with a financial under-performance of £55k. Following a review of A and E data, it is apparent that whilst the attendances are being recorded in real time, the complexity of the attendance is not. As a result, the richness of the case mix increases as the investigations undertaken are linked back to the original attendance. As at the end of June, the case mix had improved in complexity by £112k from that originally reported whilst the numbers of attendances remained the same. It is therefore fair to assume that the reported under-performance is over-stated.

Adult critical care had 48 more bed days than the plan for the first quarter but the case mix was less complex than expected, resulting in a financial shortfall of £140k. However, in neo-natal critical care there were 301 more cot days than planned, this produced an income surplus of £164k. The PCT commissioned high cost drugs at outturn. However, as at July there was a shortfall of £246k compared with £105k at the end of June.

4.1 Hillingdon

This SLA is the Trust's second largest. The PCT did not commission at the expected level, reducing our proposal re Critical Care bed days in particular. At the end of July there was an under-performance of £80k.

The value of Emergency activity is £24k above plan, mainly due to more Orthopaedic and Gynaecology activity than planned. Obstetric activity whilst higher than planned had a less rich case mix than expected resulting in an income shortfall of £42k. Generally speaking elective work is lower than planned other than for Gynaecology and overall is £58k below plan. First outpatients are 32 attendances below plan, entirely in Ophthalmology.

The decision by the PCT to reduce the commissioned level of Critical care was resisted by the Trust during the commissioning negotiations. However, at the end of July there were 24 fewer days than the already reduced plan producing a financial shortfall of £47k.

4.2 Harrow

As reported previously the Trust believes that the PCT under-commissioned for this year, particularly the volume of Obstetrics.

Overall the SLA has over-performed by £121k at the end of July, an increase of £21k from June. Within this the Trust had undertaken 54 emergency and non-elective spells more than plan of which 72 are Obstetric. Elective spells are 18 more than plan all attributable to Orthopaedics, again a specialty the PCT reduced.

Outpatients were also commissioned at a reduced level and as a result the Trust has seen 285 more first outpatients than planned. The Trust has already secured confirmation in writing from the PCT that over-performance will be paid. Critical Care bed days are 8 more than planned unchanged since May. The PCT did not include any funding for high cost drugs but to date we have dispensed £13k and this contributes to the over-performance.

4.3 Buckinghamshire

The contract has over-performed by £31k, mostly attributable to emergency spells within the Medical specialties. There were 13 more Critical Care bed days than planned resulting in a financial over-performance of £6k.

4.4 Barnet

There is an over-performance against the phased plan of £5k for the year to date. Of this some £20k is in respect of fewer adult critical care days than expected. However, there have been 70 more neo-natal critical care cot days than planned resulting in an over-performance of £31k.

4.5 Luton

There was over-performance throughout last year. The PCT accepted the Trust's proposed levels for 2008-09. Present performance is £47k above plan mainly within elective Orthopaedics and adult Critical Care.

4.6 East Herts

The SLA is £133k over plan due to their being a more complex case mix for emergency medicine than originally forecast. Whilst elective work is slightly ahead of plan, the case mix is less rich. The PCT commissioned 20 adult critical care bed days but to date has used 28 in the month of July alone resulting in a financial over-performance of £48k.

4.7 Bedfordshire

This PCT covers that part of the county that falls outside of the Luton Unitary Authority. Overall the SLA has over-performed by £93k, mainly due to more elective General Surgery and Orthopaedics than expected. In addition, this PCT now pays for its residents using the Trust's A and E services and this has resulted in 133 more attendances than planned with a financial over-performance of £9k. However, as with East Herts above, whilst commissioning critical care it has not used any to date resulting in an under-performance of £13k. The PCT did not put in their SLA any funding for high cost drugs but to date we have dispensed £6k that is contributing to the overall over-performance.

4.8 Brent

This SLA is comparatively small and is over-performing by £2k on a Plan of £88k. There have been more emergency spells than expected, mainly for Orthopaedics, but this has been offset by fewer Obstetric spells. To date there have been 100 fewer Obstetric follow up attendances than planned, giving rise to a financial shortfall of £7k. However, the PCT has used 25 more NICU/SCBU bed days than planned resulting in over-performance of £11k.

4.9 Non-Commissioned Activity

The budget was derived from looking at last year's activity and including the expected workload from Essex that was agreed to not be of sufficient value to warrant a separate negotiation. It is always difficult to forecast the level of activity. Last year there was a significant over-performance but by the end of June there was an under-performance of £113k split relatively evenly across the various categories.

5.0 Forecast Outturn

Being so early in the year it is impossible to suggest what the likely outturn will be. However, it is no surprise that Harrow is over-performing. The over-performance for West Herts is due to the better identification of chargeable activity, coupled with an increase in referrals that due to shorter waiting times impact much sooner.

6.0 Conclusion

The Trust Board is asked to note the contents of this Report.

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12th August 2008