

STATES OF DELIBERATION

24th November 2015

Billet d'État No. XX

Article 10

AMENDMENT

Proposed by: Deputy A H Adam

Seconded by: Deputy A R Le Lievre

Health and Social Services Department – Arrangements for Secondary Healthcare from 1st January 2018

1. To delete Proposition 1 and replace it with a new Proposition 1 as follows:

“1. To agree that the Health and Social Services Department and the Social Security Department shall enter into negotiations with the Medical Specialist Group for the provision of secondary health care on a five year rolling contract based on the objectives set out in paragraph 15(a) of that Policy Letter and to agree that, subject to those negotiations leading to an acceptable contract based on the objectives set out in paragraph 15(a) of that Policy Letter, such a five year rolling contract should have effect from 1st January 2018 or sooner if possible.”

2. To delete Proposition 3 and replace it with a new Proposition 3 as follows:

“3. To direct the Health and Social Services Department to report to the States with any recommendations it considers necessary in relation to the future provision of secondary healthcare if by the end of 2016 it appears to the Department that negotiations with the Medical Specialist Group are unlikely to lead to an acceptable five year rolling contract based on the objectives set out in paragraph 15(a) of that Policy Letter.”

STATES OF DELIBERATION

25th November 2015

Billet d'État No. XX

AMENDMENT

Proposed by: Deputy E. G. Bebb

Seconded by: Deputy M. H. Dorey

Health and Social Services Department – Arrangements for

Secondary Healthcare from 1st January 2018

To add a further proposition proposition 4 as follows:

4. To direct the Health and Social Services Department to investigate the creation of a company for the provision of services at the Princess Elizabeth Hospital; such a company will be a professionally managed, single organization responsible and accountable for the administration, clinical, and financial management of all hospital services; which either employs or contracts all staff including consultants, clinical, technical and management; and has a robust system for reporting on governance including clinical governance and complaints.

For the purposes of rule 15(2), the costs of such an investigation are considered to be minimal.

STATES OF DELIBERATION

25th November 2015

Billet d' État No XX Article No 10

AMENDMENT

Proposed by: Deputy M P J Hadley
Seconded by: Deputy H Adam

Health and Social Services Department Arrangements for Secondary Healthcare from 1st January 2018

To replace the propositions as follows:
“

1. To direct the Health and Social Services Department and the Social Security Department to enter into negotiations to renew the Secondary Healthcare Contract with the Medical Specialist Group.
2. To approve the transfer of £174,000 from the Budget Reserve to the 2015 revenue expenditure budget of the Health and Social Services Department and direct the Treasury and Resources Department to include £335,000 in the recommended Cash Limit for the Health and Social Services Department to fund the project.
3. To approve the payment of £165,00 to the Medical Specialist Group, subject to the approval of the detailed business case by Treasury and Resources Department, the Health and Social Services Department and the Social Security Department, for helping design and develop a future healthcare model for Guernsey in accordance with the agreement reached in the 2012 5 year financial review.”.

Explanatory Note

1. The policy letter deals with a contract between the Medical Specialist Group (MSG) and the States of Guernsey acting through the Health and Social Services Department (HSSD) and the Social Services Department (SSD) for the provision of secondary healthcare after the expiry of the current contract.
2. This contract will expire on 31st December 2017. The renewal terms for the contract are set out in paragraph 3 of the existing document as follows: *“Not less than two years before the end of the Term [31st December 2017], if either party does not wish this agreement to be renewed it shall serve on the other party a notice of the fact. If both parties wish the agreement to be renewed then each party shall write to the other party at least two years before the expiry of the Term stating the terms upon which it would be willing to renew.”*
3. Paragraph 4 of the existing contract goes on to say, *“If there is no agreement for renewal between the parties by 31st December 2016 then this agreement will*

determine on expiry of the Term. If the parties do agree on terms of renewal by 31st December 2016, this agreement will be so renewed upon expiry of the Term.”

4. The contract covers secondary healthcare for all residents of Guernsey, Alderney, Herm and Jethou.
5. In accordance with paragraph 3 of the existing contract the States of Guernsey are required to state the terms upon which it is willing to renew the contract. These terms are set out in the Policy Letter and will be the subject of detailed negotiation between the parties during 2016.
6. All parties to the existing contract recognise that the terms of the renewed contract must be focused on delivering high quality care as cost effectively as possible with clear accountability to the people of Guernsey.

THE RENEWED CONTRACT

1. The parties will agree a healthcare plan and will work together towards continual improvement of care and clinical outcomes in a cost efficient way involving inter alia reducing time in hospital and providing more care in the community.
2. Key performance indicators will be set against each objective listed with clear responsibilities for both MSG and HSSD. These KPIs will be independently audited and publically available to improve accountability of all parties to the contract. The introduction of these KPIs must be accompanied by improvement in data quality and reporting.
3. The renewed contract needs to offer value for money as well as a high standard of care and this will require evidence provided by the States of Guernsey that measure have been introduced that ensure an internationally accepted level of patient safety, quality of experience and clinical outcomes and that the efficiency of secondary care compares favourably to other comparable jurisdictions as evidenced by appropriate benchmarking.
4. Private practice will continue to be an important source of revenue to the States of Guernsey to help provide the income to deliver contract services. Clear KPIs will be set around private income, reported jointly across HSSD and MSG, to measure the benefit of this income stream to the public purse while ensuring that private practice does not detract from the delivery of a first class service to patients under the Medical Benefits Scheme.
5. Patient engagement and feedback will be important to ensure that there is continuing focus on providing and developing a service that serves the needs of the Bailiwick well.
6. Clinical Governance must continue to be an integral part of the renewed contract and must continue to be developed by multidisciplinary, multiorganisational teams with a priority on patient safety, best clinical practice and continuous development to meet the ever changing standards required by regulatory bodies.
7. It is proposed that the current MSG contract will be renewed on a rolling contract such that either party may terminate the contract by giving five years notice to the other party at any time.

8. Regular reviews will be built into the new contract to enable evidence based service developments to ensure that the Bailiwick keeps pace with developments in medical technology and practices. The manner in which these reviews are undertaken will be the subject of discussion to ensure that they achieve the necessary objectives and that recommendations from the reviews can be properly evaluated and put into effect.

IMPLEMENTATION COST

1. HSSD and SSD have estimated the cost of implementing the contract to be £348,000 in 2015 and £670,00 in 2016 making a total of £1,018,000.
2. The department also wishes to appoint a Business Intelligence Officer at £47,700 per annum and a Contract Manager at £62,000 per annum.
3. The department wishes to spend an extra £37,800 on governance.
4. The total change to HSSD revenue expenditure is therefore £147,500 per annum.
5. In the 5 year financial review of the existing contract which took place in 2012 agreement was reached in principle for an amount to be paid to the MSG in relation to the contribution required by the MSG in “helping to design and develop a future healthcare model for Guernsey.” Paragraph 9 of the financial review stated: *“The States confirms its appreciation of the on-going professional working relationship and progress made in association with the Group and recognise that the Group has an important contribution to make in helping to design and develop a future healthcare model for Guernsey. It is recognised that the parties that provision will need to be made for the one of funding of the Group’s consultants for their services in connection with this project both in the design phase and the implementation. Any such funding will require the approval of not just the Health and Social Services Department and Social Security Departments but also the Treasury and Resources Department and also the States of Deliberation. The details will be set out in the relevant business case (s). The indicative amount (which has not been agreed), as of the date of this letter is the sum of £165,000 for the design of the health care model with a further sum for implementation.”*
6. The relevant business case will be a joint document between HSSD and MSG which sets out the time needed from MSG consultants and management and any external resources needed to be engaged by the MSG to enable them to design and develop the healthcare model on which the new contract will be based. The business case can only be prepared once the States have approved the form of negotiations, which is the subject of this Policy Letter. In anticipation of the full business case, the States are asked to approve an amount of £165,000 as set out in the 2012 Financial Review which will be subject to subsequent approval by Treasury and Resources, HSSD and SSD as detailed above. The further sum for implementation will be considered at a later date.

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AMENDMENT

Proposed by: Deputy Paul Luxon

Seconded by: Deputy Allister Langlois

Health and Social Services Department – Arrangements for Secondary Healthcare from 1st January 2018

To amend Proposition 1 as follows:

To delete the words following "...in paragraph 15(a) of that Policy Letter," and to insert instead "and subject to the flexibility of future service delivery being agreed by the parties, enter into a rolling contract from year to year subject to the right for either the HSSD or MSG to give to the other party not less than five years notice to terminate the contract, with the termination to take effect on an anniversary of the commencement date of the new contract. By way of example, with the expected contract commencement date of 1st January 2018, the first notice option would be on or before the 31st December 2018 with an expiry date of 1st January 2024."

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24th November 2015

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AMENDMENT

Proposed by: Deputy G A St Pier
Seconded by: Deputy B L Brehaut

Health and Social Services Department **Arrangements for Secondary Healthcare from 1st January 2018**

To insert immediately after “that Policy Letter” in Proposition 1: “, delivering the key benefits of the redesigned contract set out in Part II of that Policy Letter, including a single governance model with an additional independent complaints process beyond the existing internal complaints process, and for the MSG to report on all complaints as part of that single governance model, with the direct and indirect costs of handling and investigating complaints to be borne by the Medical Specialist Group”.

Explanatory Note

The effect of this amendment would be to help ensure that the key benefits of a redesigned contract, which are set out in Part II (paragraphs 45-95) of the Policy Letter, are *actually* delivered. In addition, it will also ensure that a single governance model is adopted; and that the contract provides for an independent complaints process in respect of complaints against the MSG, with the MSG bearing all the costs of that complaints process.