

Steve Cox, Clinical Accountable Officer, St Helens CCG
Dianne Johnson, Chief Officer, Knowsley CCG
Simon Banks, Chief Officer, Halton CCG

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by email

Dear Simon

The Trust Board has recently approved a draft five year clinical and financial strategy for consultation with partner organisations and stakeholders.

The essence of the strategy is the recognition that the increase in activity at the Trust has now reached such a level that bed and A&E capacity is consistently being exceeded and safety and good patient experience will only be maintained through transformational change. The major issue is the application of the policy whereby additional non-elective activity is only remunerated at 30% of the tariff. The thinking behind this policy was to deter providers from taking steps to inflate activity. This theory has now been comprehensively discredited, and it is generally accepted that this has not been the driver behind increasing levels of non-elective activity. The effect of the policy is only to fund the direct costs of treatment (e.g. drugs and dressings), and therefore provides no funding towards nursing and other staffing costs, nor a contribution to overheads (e.g. estate costs). This is clearly inappropriate in cases where activity has increased by almost 25%, as is the case here. The recent NHS England document: "Improving Accident & Emergency Performance" (Gateway Reference 00062), talks about major pressures facing Accident & Emergency departments, resulting from the national aggregate rise in attendances of 5.9% over the past five years. By comparison, this Trust has experienced an increase of 25% over three years, which equates to a rise in attendances of almost 20,000 and an increase in admissions of almost 8,000. Many of these admissions are frail, elderly, sick patients with multiple co-morbidities, who have long lengths of stay, are difficult to discharge, and are very dependent upon the care of nurses. It is unreasonable to expect that this can be managed through existing capacity and with existing staffing levels. Despite this, the Trust has worked extremely hard to maintain the four hour Accident & Emergency performance through investing in staff at financial risk, and by reviewing all pathways and working practices (with the assistance of Emergency Care Intensive Support Team). It is a credit to the hard work and commitment of the Trust's staff that in spite of the pressures, the four hour target was achieved last year, and stands at over 97% so far this year. However, this cannot be maintained into the winter. Without transformational change, the Trust will not be able to cope with a further increase in demand this winter. It is concerning that numbers of Accident & Emergency attendances broke all previous record levels during the (summer) month of July – for the first time ever almost hitting 9,000 attendances (8,944).

To address these challenges, the Trust is proposing that contracted levels for non-elective activity should be rebased, releasing the 70% unpaid tariff for investment to maintain safety, patient experience and levels of performance. These resources are already in the system anyway. The Trust would invest these funds into transforming the way in which non-elective activity is managed through implementing full seven day Consultant (and support staff)

working, which will improve the quality of care, reduce mortality and morbidity, reduce length of stay releasing capacity, deliver best practice, evidence based care for ambulatory patients and reduce multiple transfers and handovers of care for patients. The anticipated quality improvements are substantial and significant, and this is also the only proposal currently available, which will enable delivery of the four hour target this winter.

The other Trust priority for investment is to improve nurse staffing levels. The increased levels of activity and acuity prompted the Trust to undertake a review of nurse staffing levels, resulting in the production of a business case to employ 95 additional staff. Some of these nurses have already been recruited at financial risk to the Trust, so that safety and quality have been maintained.

The Trust's proposal is that receiving full payment for non-elective activity would enable investment in nurse staffing and service transformation, but would also make a contribution to the Trust's overhead costs (in particular the PFI estate). Full payment of the tariff would actually allow the remaining PFI gap (£6.7m) to be closed. A copy of the proposal is attached for your consideration.

As winter is approaching, it is hoped that agreement can be reached, so that safe, high quality services can continue to be delivered. The benefits to our community would be substantial, as follows:-

- Improve safety and quality
- Reduce mortality and morbidity
- Achieve the four hour Accident & Emergency target.
- Deliver 7 day consultant cover
- Reduce length of stay
- Reduce occupancy
- Improve nurse staffing ratios
- Implement more appropriate pathways of care and reduce admissions
- Reduce transfers and handovers of care
- Reduce the numbers of medical outliers in surgical beds and therefore disruption to the elective surgical programme resulting in cancellations
- Close the PFI funding gap

I look forward to receiving your comments, and would be happy to provide any additional information as required.

Yours sincerely



Ann Marr
Chief Executive

Cc: Clare Duggan, Area Director, NHS England (Merseyside)
Carole Hudson, Chief Executive, St Helens Council
Paul Brickwood, Chief Finance Officer, Halton, Knowsley and St Helens CCGs