Working with the Independent Sector and Managing Out of Area Treatments

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Abstract

Successive government policies over the past 15 years have encouraged the growth of the independent sector (not for profit and for profit) and its involvement in the delivery of mental health care. Not for profit and for profit sectors are currently working both alongside and in competition with NHS provider organisations. How all parts of the service system interconnect will in future be crucial for service users and carers. This paper describes the developmental approach in response to many of these issues by agencies in the West Midlands.

Key words

Independent sector, out of area treatments, mental health care

Background

The independent sector is being actively encouraged to deliver all forms of mental health care in conjunction with statutory agencies in England. Both the not for profit (or third sector) and for profit sectors are working alongside and also in competition with NHS provider organisations.

The mental health independent sector grew considerably as the number of available NHS and local authority beds declined since 1994. Between 1994/5 and 2004/5 NHS beds declined by 23.5% to 31,645, whilst between 1994/5 and 2000/1 private sector beds increased to 97,600 (DH, 2005a; DH, 2005b). By 2005 229 independent hospitals provided 6,000 mental health beds (Healthcare Commission, 2004).

Independent sector placements for mental health care or treatment fall into two groups; those providing long-term support services in supported accommodation, care homes or care homes with nursing and those that support acute care in independent hospitals. When such services are commissioned out of area (OATS) the former is usually due to a lack of local capacity whilst the latter can be due to either a lack of capacity or capability within 'home' services. The former group of services are low cost and high volume in comparison to the latter which tend to the reverse, which often grab the attention of finance directors, usually because they are not part of any planned expenditure.

Research in recent years has identified that placements into the independent sector often suffer poor CPA co-ordination, can be variable in quality and total a significant proportion of the mental health budget with linkage between commissioners, providers and area of origin services limited and poor consideration of users' rights (Ryan *et al,* 2007; Ryan *et al,* 2004). This has led to guidance from the Department of Health in an attempt to support better co-ordination and partnership working (DH, 2006).

This paper describes the developmental approach in response to many of these issues by agencies in the West Midlands.

Developing evidence

On the basis of previous work and local anecdotal concerns about how systems are not functioning the National Institute for Mental Health in England in the West Midlands commissioned a census study of independent sector mental health placements. This was undertaken by the University of Manchester and

the Health and Social Care Advisory Service to inform future development programmes. Some of the key findings are highlighted in **Box 1.**

Response to findings and other areas of concern

At dissemination events there was universal acceptance that the findings of the census confirmed many anecdotal concerns, although the scale of the issues had not been previously understood. There was also widespread recognition that improvements were needed and these were not likely to happen without co-ordinated efforts across the West Midlands including PCT and local authority commissioners, the West Midlands Procurement Hub, West Midlands Specialist Services Agency and CSIP West Midlands. Commissioners also had anxieties about a range of related issues: 'importing' and 'exporting' has been a concern for some time. This is where a locality has services in its areas filled by people from outside the locality whilst at the same time it is placing people into other areas as beds are not available for local people.

Linked to this is the issue of improving appropriateness of placements and developing efficiency within local service systems. Evidence indicates that many people can be inappropriately placed within the independent sector with most people in this situation requiring a lower level of support (Ryan, 2005). Managing local markets as part of a whole service system whilst ensuring robust systems for co-ordinating CPA processes were seen as key to addressing this.

Initially, many people saw the high expenditure on independent sector placements as an area for potential cost savings. However, whilst some placements may be more efficiently commissioned, for example through block contracting, many of the lower cost facilities also have poor regulator reports suggesting a direct link between income and quality within these services. This would suggest that savings in this area would also impact further on service quality.

There is also the issue of how poor service quality might leave commissioners and CPA care co-ordinators vicariously liable in the event of something going seriously wrong. Limited knowledge of the service, weak contracting and poor placement monitoring all leave commissioners and clinicians exposed. Commissioning for outcomes would help to some degree but there are limited examples of this taking place.

One final area of concern is the lack of a true user and carer voice from within the private section of the independent sector. Unlike statutory agencies which have made significant strides in user and carer participation in both service development and delivery over recent years there is little published about their experiences within private sector services. Voluntary sector agencies however have a long standing history of user and carer involvement.

Developing a strategic response

Following widespread dissemination of the census findings and region-wide debate, a task group was established to start to address many of the issues raised by the study. It quickly identified a number

Box 1: Key findings from West Midlands independent sector placements study

- In 2004/05 a minimum of £94M spent by health and social care in West Midlands on mental health care in independent hospital, residential and nursing home care (excluding dementia provision) (equates to >£1B in England).
- Significant basic information about people and their placements were not known to commissioners responsible for funding the placements.
- Arrangements for regular reviews were poor and highlighted links between commissioners and care/co-ordinators were inconsistent.
- Significant numbers of people were placed at great distance (ie. up to 300 miles) from home.
- The majority of placements made by social care, majority of expenditure by health.
- There was variability in costs for placement for similar services – even with same provider.
- Limited collaborative commissioning outside of specialist commissioning teams.
- Many placements not contracted.

(From: Ryan *et al,* 2005)

of areas and key tasks where strategic efforts across the West Midlands would prove most beneficial. Working groups consisting of West Midland commissioners and clinicians worked on four areas (**Box 2**) over a 12-month period to develop sample service specifications and service level agreements, clear standards for clinical review, minimum dataset fields for monitoring and review and a template to identify thresholds for commissioning. However, some issues could not be addressed without senior level agreement to a consistent approach across the region. Nevertheless, there were also a number of areas within the West Midlands where practical local support to manage service systems took place with the support of CSIP.

Initiatives and next steps

Despite this progress it was clear that a significant number of tasks could not be taken further without clear dedicated support and strategic drive. A regional project board has been established with membership from PCTs, the Local Authority, clinicians, users and carers, West Midlands Specialised Services Agency and the Care Services Improvement Partnership. Its remit is to manage a wide ranging work programme on working with the independent sector and it is focusing on mental heath, learning disabilities and CAMHS (see **Box 3**, overleaf). A full time project lead has been appointed to each of the three areas to support commissioners across the West Midlands in highlighting and sharing good practice, disseminating information and providing practical support to help commissioners to manage the relationship with the independent sector and their local service system. This also includes regional events targeted towards some of the more difficult tasks such as establishing a regional common dataset specific to this area which can usefully help to measure progress locally and across the West Midlands.

Various tools developed to support commissioners have been published in an e-book chapter from which they can be downloaded and adapted for local circumstances to manage service systems, including the independent sector (Ryan, 2006).

Finally, an Action Learning Set for 10 commissioners of mental health, learning disabilities and CAMHS was facilitated by CSIP over a five-month period. This also included presentations and debate on many of the issues on working with the independent sector and use of tools from the e-book chapter. Also, participants each developed an action plan to manage their local service system, which they are implementing over the next 12 months. These plans often included active repatriation strategies for

Box 2: Strategic West Midlands wide work areas

Reporting arrangements

- Develop a minimum dataset for independent sector placements.
- Agree a minimum standard for periodic reporting from service providers.

Consistency in standards and contracts

- Develop consistency in service level agreements with independent sector providers.
- Develop consistency in standards between NHS and independent sector providers.

Developing a directory of service provision

- Explore opportunities to do this with service regulators.

Commissioning and efficiency

- Explore methods for improving partnership working between NHS and Local Authority.
- Develop a strategic understanding of the private and voluntary provider marketplace.
- Share between NHS and Local Authority commissioners spend data on private and voluntary sector providers.
- Introduce cost modelling across the region.
- Examine the use of standardised NHS or Local Authority contractual terms and conditions.
- Develop a co-ordinated West Midlands approach.

Box 3: Key tasks of Independent Sector Project Board

- Improving procurement of placements by developing standard contracts which can be disseminated to PCTs for use with independent sector providers.
- Assisting PCTs to better identify gaps in service provision.
- Identifying areas where savings could be made.
- Highlighting areas where strategic capital developments are required.
- Ensuring measurable improvements in the experience for people placed out of area in the independent sector.
- Sharing knowledge about known providers, cost and quality.
- Supporting PCTs to better understand their use of the independent sector and how placements can be monitored more effectively.
- Disseminating good practice on how to tackle current unplanned usage of independent sector placements.
- Advising PCTs how to get more clinical ownership of out of area placements and ensure clients are systematically reviewed.
- Ensuring collective action is taken on a small number of areas where progress needs to be achieved quickly eg. the establishment of a West Midlands wide database of current placements.
- Reporting regularly to the PCT Chief Executives Group and the Strategic Commissioning Group on progress in this area.

service users who wish to be treated as close to their home or relatives and friends as possible. A second Action Learning Set commences in May to support a further group of commissioners in the region to increase their knowledge of this area and support them in developing strategies to manage their market and local service systems. Added benefits of the Action Learning Sets have been the development of peer networks which the three project leads are supporting in the field.

Conclusions

The independent sector is a key player in mental health care today. Successive government policies over the past 15 years have encouraged the growth of both parts of the independent sector (not for profit and for profit); how all parts of the service system interconnect will in future be crucial for service users and carers. The issues highlighted in respect of placements made within the independent sector are not unique to mental health. Many of the issues are also common to the learning disability and CAMHS fields and are complex and result from the very different relationships that various sectors have had with each other historically. There are many challenges to address if the role and effectiveness of the independent sector is to be maximised; the process for achieving this is now taking shape in the West Midlands.

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