

Effective Commissioning – today and tomorrow



Supporting the commissioners of today and developing the GP commissioners of tomorrow to deliver better care for patients, better health and value for local communities.

The White Paper, *Equity and Excellence: Liberating the NHS*, proposes that GPs will take responsibility for commissioning most health services from April 2012, with full budgetary responsibility from April 2013. PCTs are scheduled to be abolished from this date. Every GP practice will have to be a member of a consortium and all consortia will be overseen by the new NHS Commissioning Board. Public health functions will transfer to local authorities.

These changes represent one of the most radical structural reforms in the history of the NHS. The key objectives are to bring

decision-making as close as possible to patients whilst saving 45 percent of management costs. The changes are consistent with the aims of the QIPP programme (intended to release £15bn – £20bn of savings over the next three to four years) but represent a significant increase in the scale and pace of change.

The Coalition's agenda therefore has created unprecedented challenges for commissioners, requiring rapid cost reduction and structural reform at the same time as the need to create a sustainable legacy for the future. Many PCTs are having to stabilise their finances in the face of huge increases in acute hospital activity whilst also being required to make cuts in the management functions needed to manage this demand. GP consortia are also being required to consider how they will organise themselves in order to manage up to £70 billion of health expenditure. All this is intended to happen without jeopardising the quality of patient care and mostly in the absence of detailed operational guidance.

Managing the transition to the Commissioners of the future

Even by the standards of the NHS, this is a huge set of challenges. We provide practical solutions, supported by robust methodologies and experienced people with a background in the NHS and the wider public and private sectors. Our support to PCTs and GP commissioning consortia covers the three phases of this journey as described below. For all our clients it can be tailored to provide the pace, level and degree of support required by particular circumstances.

PHASE ONE: Managing today

Phase one focuses on the immediate challenges facing commissioners today, with a strong emphasis on stabilising the finances by managing demand and focusing on management efficiency. We can also support PCTs and their GP counterparts as they think through their future clinical strategy and transitional functions – which management functions will be shared and which divested?

- Understanding performance (baselining of finance and activity).
- Demand management.
- Management cost reduction and operating efficiencies.
- GP engagement.
- Ideas generation and programme management to support QIPP.
- Framework to support the development of a clinical strategy.
- Facilitated programmes to achieve cross-health economy working and delivery of integrated care.
- Contract management.

Credentials

KPMG has extensive experience of working with health systems to improve commissioning outcomes. We are proud of our track record with commissioners and have worked with a number of PCTs including:

“In providing support for World Class Commissioning, KPMG met and exceeded NHS Leicester City’s expectations: the OD plan was deemed to be exemplary by NHS East Midlands, and the KPMG team added real value to the financial plan underpinning the Commissioning and Investment Strategy.”

Tim Rideout, Chief Executive, NHS Leicester City and now seconded to DH as the SRO for the development of NHS Commissioning Board.

PHASE TWO: Transition to tomorrow

Phase two moves towards the implementation of the new system. The clinical strategy will need to be implemented and GP consortia will need to choose which governance model to establish themselves as a corporate identity. We envisage working with legacy PCTs to implement the transition and also with the emerging GP consortia as they develop the business and operating models necessary to implement their new roles. We can assist communities with the transfer of key commissioning processes from PCTs to GP consortia or other organisations and devise practical solutions to the governance, business and financial issues they will face.

Our services include:

- Care pathway redesign.
- Working with GPs to develop business understanding and capability.
- Business planning and financial modelling
- Options appraisal covering the different legal forms, governance models and partnership arrangements to be set up.
- Developing clinical and financial incentives for joint working and engagement.
- Maximising value of back office support functions.
- Reducing management costs, including real estate planning.

PHASE THREE: Managing tomorrow

Once the new GP-led organisations are established, they will need ongoing support, particularly in terms of management and support functions. We can also help to solve particular issues as they arise, using our team of experienced financial and commercial advisers and operational managers, supported by our panel of clinical associates.

We have practical experience in the most innovative approaches to healthcare being tested in the UK health system today, including integrated care models and the use of system solutions. In particular, our IT specialists can assist in understanding referral patterns and the adherence to clinical protocols.

We are also working with Corporate partners to provide the full scope of resources to support the commissioning cycle, such as:

- case management.
- contract validation.

“We were very pleased with the pragmatic approach KPMG took; they fully understood our requirements and . . . consistently rose to individual PCT challenges, providing a professional and appropriate response throughout.”

Ann Sutton, Chief Executive, Eastern and Coastal Kent Primary Care Trust

“Delivering sustainable efficiencies from any local health economy is not about discovering a new ‘magic bullet’. We believe that NHS Manchester, together with local providers will benefit from accelerating our efforts to remove unnecessary and duplicated activity through the dedicated support that KPMG can bring.”

Laura Roberts, Chief Executive, NHS Manchester

“The challenge for PCTs is to maintain a grip on today’s commissioning while supporting the transition to tomorrow’s GP commissioning consortia in a tight financial environment. This requires a range of skills and experiences to manage a complex set of issues. KPMG has proven expertise in helping commissioners work through this complexity to achieve improved care for patients.”

Gary Belfield, Associate Partner

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