Community Health News Supplement

Issue 50

February 1990

COMMUNITY HEALTH News

ASSOCIATION · OF

COMMUNITY HEALTH COUNCILS

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"WORKING FOR PATIENTS"

NEWSLETTER SUPPLEMENT: CHNEWS 50: FEBRUARY 1990

NEWS UPDATE

NHS Review: Progress on projects

The Department of Health has set up a number of projects to prepare the way for implementing the NHS Review proposals, once the necessary legislation has been passed. There are 34 projects, not all of which are far advanced as yet. Departmental project managers have provided a brief report of progress to date. This is summarised below:

Project 1:NHS Trusts. Liaision between Health Authorities and units interested in considering the implications of Trust status.

Project 5:Contracts for Hospital Services. This project is concentrating on areas where central advice will necessary for contracting parties and on the content of contracts.

Project 6:Use of private capital. Guidance was issued to Health Authorities in October.

Project 7:Cash flow funding. After consultation with regional directors of finance, consultants are being appointed to consider the validity of assumptions made in assessing best value for money and consider further the implications for the Department's computer systems.

Project 8: GP Practice funds. GPs have received a prospectus with further information about fund holding and the arrangements for expressing interest to regions in taking part in preparatory work during 1990-91.

Project 9: GP Indicative prescribing budgets. NHS managers in a DH/RGM link group have participated with FPC personnel in the development of the user specification for enhanced PACT.

Project 10: Capital charges. The Capital Charges Steering Group formed in May is providing guidance on the scheme to establish a comprehensive asset register and a network of capital charges officers in Health Gauthorities has been established.

Project 11: Medical audit (HCSC). Medical audit and quality of care units have been established by the College of Anaesthetists and the Faculty of Dentistry, whilst physicians, surgeons and GPs are planning similar units. The King's Fund College will establish a medical audit information exchange early this year.

Project 12: Medical audit (FPS). Following consultation on the draft circular, "Medical audit in the FPS", guidance is expected shortly and FPCs will establish medical audit advisory groups, consisting of doctors, by April 1991.

Project 13: Consultants contracts. Draft guidance on the proposed amendment to the Appointment of Consultants Regulations is currently under consultation, whilst guidance is being

prepared on devolving the management of contracts to district level and introducing fuller job plans for hospital consultants. Negotiating the implementation of revised disciplinary procedures is the subject of another draft circular.

Project 14: Consultants' distinction awards. Discussions are under way with the professions to give NHS management a greater input into the distinction awards system.

Project 15:Additional medical consultants. 35 successful bids for posts in the first year of the scheme (1989-90), were announced on 31 October 1989.

Project 16: Implications for FPCs. Regions have developed links with FPCs to plan for the appointment of general managers and handing over accountability for FPCs to regions.

Project 17: Delegation of functions to the HCSC. Regions have responded with comprehensive plans to establish new management arrangements for support and clinical services, leaving core staff to concentrate on essential strategic tasks.

Project 18: Quality of hospital services. Health Authorities have been asked by the Management Executive to have agreed policies and programmes in place to assess and improve the quality of service and customer relations. Their actions are being supported by a programme of national demonstration projects for total quality management and care in outpatient departments.

Project 19: Extending the RMI. 50 more sites have been chosen to implement the full proposals of the RMI and preparations have included reviewing their management structures and processes and their medical records/coding functions. This year RMI will be extended to outpatients, A & E units, smaller hospitals and mental health units.

Project 20: Medical education. The Steering Group on undergraduate medical and dental education agreed that the Service Increment for Teaching (SIFT) should be increased, so that costs of research are now explicitly met.

Project 21: Financial audit. The group is currently working on audit considerations for contracts, whilst responsibility for NHS Audit will be handed over to the Audit Commission in October.

Project 22: Pay flexibility. Proposals for the organisation and funding of non-medical education and training are under way. Reforms in central pay agreements include the agreement in the NHS to give local managers freedom to supplement national rates of pay to counteract local problems of recruitment and retention.

Project 24: Outcome information. This project proposes to develop a range of health service outcome indicators.

Project 25: Information technology. A draft document for consultation is to be issued shortly to help develop an IT to

underpin the NHS Review.

Project 26: Role of DHAs. This project aims to look at the future role of DHAs in assessing their populations' needs and their purchasing role in contracting to meet those needs.

Project 27: Composition of HAs. A leaflet and information pack have been produced on the new opportunities created for chairpersons and members of health authorities.

Project 28: Nursing and PAM education and training. The proposed arrangements in a discussion document published in October 1989 give a key role to regions in ensuring the right quality and quantity of professional training.

Project 29: Links with the private sector. This covers devolution to Health Authorities of control of private patients' facilities and repeat of controls of private hospital developments.

Project 30: Reciprocal health agreements. This project looks at the way health providers will deal with people who are exempt from NHS charges and examines how purchases might fit into the system for referring UK residents to other countries in the EC, specifically for treatment.

Project 31: Oversight of regional development projects. This project exists to support development work in the NHS that will contribute to successful implementation of the reforms, such as contracts, quality, costing services, GP practice funds and the role of the district.

Project 32: Making the best use of nursing resources. The aim of this project is to produce a package of auditing tools to enable Health Authorities to assess the effectiveness of the use of Nursing and Midwifery skills.

Project 33: Medical manpower planning and postgraduate training. This project is examining the existing structure and funding of postgraduate and continuing medical education to make recommendations for an improved framework of standards.

Project 34: Information requirements. Complementing work on Project 25, this project is looking at the implications of the NHS reforms on IT and communications and will assess to ensure adequate communication and consultation between local authorities, the NHS Management Executive and the NHS.

(NHS Management Executive Bulletin December 1989).

Clarke offers talks on NHS reforms

In the first sign of any concession over the NHS Bill, Kenneth Clarke invited 17 medical, dental and nursing organisations to talks about "whether the existing statutory arrangements concerned with clinical standards should be strenthened."

Mr Clarke initially opposed the original proposals for a national network of independent inspectors to check on standards and quality of health care. But he has now indicated that he is prepared to consider the establishment of a new body, if medical and nursing organisations can make the case for it, which would lay down standards for clinical care and inspect health authorities and hospitals where problems emerged. However, the BMA has been excluded from the invitation to the talks. **(Independent 7/2/90).**

Hospitals urged to put pride before pay

A "strictly confidential" document, prepared by personnel directors in the Trent Region for general managers of self-governing hospitals, recommends the adoption of a unique system of "satisfiers" to wean staff away from high pay aspirations. The document candidly admits that "liberated" hospitals will never be top payers and must therefore generate "pride, ownership and commitment" through a system of satisfiers. The nine satisfiers listed include pride in a job well done, responding to staff needs for fairness and equity, people's needs for purpose and significance and recognition and thanks. This philosophy of "healthy, happy people in a healthy, happy organisation" will infuriate the unions who will resist what they would see as an erosion of their collective bargaining rights. Mr Rodney Bickerstaffe, General Secretary of NUPE, said, "This will do nothing to cut patient waiting lists or to motivate undervalued staff." **(Sunday Times 17/12/89).**

Secretary of State "ignored Parliament" in allocating opt-out cash

The Health Secretary was accused in the High Court on 31.01.90 of "jumping the gun" on his planned NHS changes. Six consultants, led by Professor Harry Keen of Guy's Hospital, London, are seeking a declaration that Mr Clarke's decision to allocate money to Health Authorities to prepare some hospitals for self-governing is unlawful because Parliament has not passed the bill implementing the changes. The consultants are also challenging decisions by S.E.Thames RHA and Lewisham & North Southwark DHA to spend funds on studies into making Guy's self-governing. Mr James Goudie, QC, for the consultants, told Lord Justice Woolf and Mr Justice Pill that £40 million of public money had already been spent and another £257 million was earmarked for 1990/91, of which a third would be spent before the bill was enacted. **(Guardian 01/02/90).**

Budget plan for GPs "flawed"

Plans for British family doctors to run their own budgets are seriously flawed, according to a report by American health experts who favour the idea. The authors, Mr Jonathan Weiner and Dr David Ferriss of the John Hopkins University school of Hygiene and Public Health in Baltimore, Maryland, are generally

sympathetic to budget-holding by GPs. But they also say that the proposals may contain incentives that "may not always be in the patient's best interests". They say the concept of a single budget presents too great a risk for GPs and patients and that a structure of different funds, including a reserve fund to cover budget excesses, would be better. Budget-holding networks, combining the resources of several GPs, are proposed as a way of yielding the sort of benefits produced by so-called Health Maintenance Organisations in the US, which shop around on behalf of subscribers. The authors also suggest that "it would be worth exploring the effects of budget-holders charging a modest per-visit payment, say £3-£5 for the non-poor." (**Guardian 25/1/90**).

NHS changes threaten research

The Imperial Cancer Research Fund has said that the NHS reforms could have a devastating effect on cancer research in hospitals, causing some projects to be cut back or even abandoned. Patients might be denied new treatments while hospitals involved in expensive research could be priced out of the competitive market. Medical charities will be under pressure to divert money donated by the public away from research and towards subsidising patient care and hospital services, thus limiting their capacity to attain their research objectives. (**Times 24/01/90**).

Distribution of documents to CHCs

In a Parliamentary Question to Mr Freeman, Mr Cryer asked whether CHCs were included in the distribution of documents on contracts for hospital services. Mr Freeman replied that the following documents were sent to CHCs: "Working for Patients" and "Funding and Contracts for Hospital Services". "Contracts for Health Services: Operational Principles" and "Contracts for Health Services: Pricing and Openness" were sent to ACHCEW and some CHCs on request. He stated that, "Decisions on the distribution of further documents to CHCs will be made in the light of their contents". (**Hansard 12/12/89**).

However, CHCs may like to note that further documents relating to the White Paper have been published by the DoH. "Framework for Information Systems: Overview" is Working Paper 11 of the Working for Patients series. ACHCEW has not been notified of the content of Working Paper 10. A document has also been published on "The future role of District Health Authorities", but ACHCEW has not officially been sent a copy yet. These documents should be available from HMSO or via the DoH direct. ACHCEW is continuing to ask the DoH for copies of all documentation on the White Paper which is relevant to CHCs, but is still concerned at the Department's interpretation of what is "relevant".

The White Paper in Yorkshire: the future role of the DHA

ACHCEW has recently received this report which was produced by a "Task Force" from Yorkshire RHA in mid 1989. The report acknowledges that the more innovative elements of the NHS reforms have attracted most attention, but that the new role of the DHA presents an exciting opportunity for senior managers and their professional advisers to make informed priority choices, based on systematic analysis of needs and on measurements and judgments of how well those needs are met. The key recommendations of the report are that DHAs should get to know their resident populations, develop closer links with GPs for effectively executing their role as commissioning agencies and prepare themselves for contracting, monitoring and quality assurance activities.

Working for Patients - The Financial Agenda

This was published by the Chartered Association of Certified Accountants in October 1989 and aims to provide a definitive framework for the development of the many issues relating to the financial management and accounting agenda arising from the White Paper. It concludes, among other things, that the implementation of the White Paper would be eased by providing additional finance to create incentives for clinicians to achieve improved efficiency and effectiveness and an increased level of service. It warns that the timescale for implementation of the reforms is very tight and may not be achievable and that further consideration needs to be given to many of the detailed issues and problems surrounding the White Paper.

CHC ACTIVITIES

Airedale CHC has consulted with churches, parish councils, community and voluntary groups about the possibility of Airedale Health Authority being merged with one or more Health Authorities following implementation of the changes envisaged in the White Paper. A report of the responses makes clear that there is anxiety about the future of the NHS in the DHA if the proposals are implemented: there is a suspicion that services will be reduced; there is a strong concern that patients will have to travel further for some treatments; and all the groups responding were against a merger of the DHA with one or more HAs and felt that such a move would precipitate poorer services in the district. The CHC is to write to the RHA and local MPs expressing its opposition to such a merger.

Newham CHC has sought clarification from the DoH on GP budgets and the role of the FPC in the new arrangements proposed in the White Paper. The CHC states that there have been indications that the FPC is considering the idea of encouraging all of Newham's GPs to become budget holders and therefore vest their

purchasing responsibility with the FPC. The DoH is requested to comment on whether such an enhanced purchasing role for the FPC was envisaged as a natural progression from the proposed changes and whether this would improve patient services and choice.

Walsall CHC has recently met with the DGM about the implications of the DGH expressing an interest in becoming a self-governing trust. In spite of the DGM's attempts to "dispel some of the myths surrounding self-governing trusts", CHC members remained convinced that there would be no improvements for patients in the new NHS market forum. The CHC Secretary has set up another meeting with the DGM to discuss issues such as core services, contracts and CHC input to future planning and monitoring, as well as the possibility of a Patients' Charter drawn up locally. The CHC is represented on a local "Campaign for a Better Health Service" which is balloting Walsall people about the proposals for the DGH. Meanwhile, the DHA Chairman has stated that the DHA will "make its decision, regardless of the opinion of Walsall people".

Torbay CHC has sent the Chair and other members of the Standing Committee on the NHS and Community Care Bill a statement requesting an amendment. This would be to give CHCs the right to enter Care Homes for the mentally ill and handicapped people, which had originally been set up by Health Authorities (following the community care policy of closing down institutions and discharging patients into the community) and later transferred to Care Trusts.

Bromley CHC has received a letter from Roger Freeman responding at some length to the CHC's concerns on the White Paper. Particular references to CHCs were made, for example with regard to applications for self-governing status. The Minister writes, "When sponsors decide to prepare an application we will ask the relevant RHA to see the views of all those with an interest including the local community and CHC", and "The Government will expect NHS Trusts to develop close links with the local community and local CHC", but that it will be up to each Trust to determine whether it wishes to open its routine meetings to the public or CHC representatives. With regard to contractual arrangements, the letter states that if a service is no longer required, the contract will provide a period of notice to enable the hospital to make alternative arrangements but that, "There will of course continue to be consultation with the CHC on closures". The Minister states that discussions are still being held with the medical profession regarding the proposed incentive scheme for GPs which may encourage them to spend less than their drug budget so that the FPC can retain half the savings to spend on primary health improvements. The CHC had pointed out that this might induce GPs to refuse patients necessary drugs, but as yet no firm decision has been come to on this. Finally the letter assures the CHC that, "The role of CHCs will not be diminished when the White Paper proposals are implemented."

South West Surrey CHC members have met with the Project Team drawing up the application prospectus for the Royal Surrey County Hospital, which is in the first wave of prospective NHS Trusts. The Project Team did not seek the CHC's views on core services and were more concerned with views on the quality of services, but further quarterly meetings have been proposed.

South Cumbria CHC has received a DHA draft discussion paper on the funding and determination of contracts for hospital and community services.

Exeter & District CHC is experiencing a welcome atmosphere of openness on the part of the DHA and proposed self-governing trusts and is being kept fully informed of and involved in all the changes being undertaken or proposed. It is confident that, should those expressing an interest become self-governing, the CHC will retain full access and monitoring rights. The CHC is also represented on a "thinktank", including the DGM, Director of Public Health and Manpower Director, which is identifying "core services" and tackling such issues as quality in contracts, contract monitoring and gathering information from the public and GPs etc.

Bradford CHC and Bradford Council for Voluntary Service organised a meeting to which a range of voluntary organisations, carers and non-statutory service providers were invited to discuss the implications of "Caring for People".

In response to a complaint made on behalf of the CHC by their MP that they did not receive the publications, "Contracts for Health Services: Operational Principles" and "Contracts for Health Services: Pricing and Openness", Baroness Hooper replied that there was no reason why all CHCs should have received copies, as the documents do not describe new policy, a copy was sent to ACHCEW and the costs of distribution would have been indefensible. The CHC wrote back to their MP stating that the novel concept of contracts for patient care may be introduced in such a way that has a major impact on the way services are provided. Therefore, in representing the interests of health service users in the community, the CHC should be kept informed of any such proposals in order to try to ensure that developments are consumer sensitive. Moreover, refusal to release further Working Papers in the series would seem illogical, seeing as the Baroness stated that "it was recognised that there would be wider public interest in these publications".

West Norfolk & Wisbech CHC has been forwarded a copy of a motion passed by an overwhelming majority of consultants at the Queen Elizabeth Hospital, King's Lynn, which expresses their opposition to exploring or seeking self-governing status. In spite of their protests, there is no indication as yet that the application for self-governing status has been withdrawn.

Wakefield CHC has set up a special sub-committee to try and evaluate the effect that the decision of the whole DHA to become self-governing will have on local people. The CHC is hoping that Officers of the DHA will meet them to discuss the whole issue about which they are very concerned.

Rochdale CHC's observer was excluded from the HA meeting which agreed a single unit structure for providing /purchasing, amalgamating the two current units into one with a very small purchaser. The overall changes, which are effectively a bid for cash, come to 35 staff, or about £500,000 extra in a budget of £35 million total for the District.

Central Manchester CHC has circulated a ballot form (which included sections in minority languages) to every household in Central Manchester asking for their views on the opting out proposals of Central Manchester hospitals. The results of the ballot will be used to launch a publicity campaign in this regard.

Gloucester CHC held a public meeting, on the anniversary of the publication of the White Paper, on how the Government's proposals will affect the local community. The public in general continue to remain confused and worried about how the new proposals will affect them.

West Lambeth CHC is represented on a health authority working party on commissioning, although progress with this working party is presently minimal, as the authority's main officer-time is being devoted to the provider responsibilities, particularly proposals for a self-governing trust. The authority has asked the CHC to undertake a consultation exercise in the local community, which may include a ballot, for which it is providing part funding.

City & Hackney CHC will be holding a public meeting later this month to focus on areas including the implementation of the NHS reforms and the new plans for community care. Topics to be covered include progress made so far by the DHA in its plans for purchasing and providing services and whether plans to "opt out" by District hospitals will affect other planned developments in services.

Bath CHC has agreed to develop links with the new Social Services Inspection Groups which will be set up to monitor the quality of community care services under the new arrangements proposed by the Government. The CHC will also be meeting with local Councils for Voluntary Service to arrange joint meetings with senior health and social services and voluntary organisation speakers later this month to discuss the implications for voluntary organisations of the Community Care White Paper.

Bromsgrove & Redditch CHC has been informed that the DGM, on commenting on the town vote and staff vote results which were overwhelmingly against the Alexandra Hospital seeking self-governing status, stated that "We shall take no notice whatever of this vote". However, the DGM has reassured the CHC that they will be kept fully informed about the progress of the application for self-governing trust status and how contract formation is developing.

Brighton CHC has been an integral part of the planning for implementation of the White Paper. CHC members sit as observers on the HA's three working groups considering NHS Trusts, Primary Care and Contracts. Brighton's Director of Consumer Affairs has taken the initiative of starting a "Consumer Opinion Group", which looks at the range of consumer issues facing the HA and includes the DCA, the Chairman of the HA's Consumer Panel and 6 CHC members. This is hoped to be a fruitful channel for ensuring consumer issues are kept high on the agenda. The group is also looking at setting standards to be specified in contracts, within the context of Brighton's preparations for a self-governing NHS Trust.

With regard to the Community Care White Paper proposals, East Sussex Social Services sees the CHC as a vital part of a new user forum for its existing mental handicap services as well as the services for the elderly for which it will find itself contracting for in the future.

East Surrey CHC held a well attended public meeting on the proposed NHS reforms and how it will affect the local community.

Northern Regional Association of CHCs is one of several RACHCs which have produced papers in response to the NHS Review. Entitled, "The Role of CHCs after the Implementation of the NHS Review", the NRACHCs' paper includes the following conclusions: that CHCs need to clarify their role and functions; that they will need more resources to fulfil their new role; that they should decide on, prioritize and evaluate annually their core services, possibly with some form of peer review; that there is the possibility of collaborative working between the DHA and CHC within the purchaser market, which could include negotiating contracts with the DHA or FPC for providing either consultancy work or undertaking consumer surveys and that if the RHA decides to reduce the number of districts within the Region it will be necessary to retain the current staffing and resource allocation levels for CHCs.

North Western Regional Association of CHCs's document, "The Future of NWRACHC: How can it best meet the needs of its constituent members in an uncertain future?" includes the following proposals: that NWRACHC should redefine its role to enable it to operate within existing resource restraints; that

NWRACHC should consider setting up working parties across the Region made up of members to consider issues of concern shared by all CHCs; that NWRACHC should consider extending the duties of the regional secretariat, and each District CHC should be "top-sliced" to resource it and that ACHCEW should be approached with a view to seeking legislation to regularize the position of the NWRACHC and to fund it accordingly.

Oxford Region CHCs have produced a paper, "Post the White Paper: Proposals for the role of CHCs in the Oxford Region". This offers a new definition of the role of the CHCs in the Region, including a system of performance review to ensure that this role is carried out in a high quality way. The new definition of the essential role of CHCs would require an extension of the rights and duties of CHCs via appropriate legislation. Among these new rights would be the right to visit all premises providing health services, the right to make informal visits, the right to involvement in the planning of services, including consultation on contractual documents and the right to representation on a wide variety of professional committees, including Medical Ethics Committees. Considerably more resources will need to be made available to implement these recommendations - in general they are looking to a doubling of staff, a minimum of 4 full-time posts per CHC, and a doubling of non-staff costs in order to improve publicity, training, premises and office efficiency.

South East Thames Association of CHCs has also been presented with a discussion paper on the future role of CHCs, particularly with regard to the changes proposed in the White Paper on community care. It is suggested that CHCs must now decide whether to take a major interest in the principles and operations of social services departments or to restrict themselves for the future to the acute hospital sector and the family practitioner services. In addition, patient choice is threatened by the move towards joint assessment by the professionals working in the different agencies, leaving the users to face a monolithic system, without recourse to appeal against the outcome of assessment. CHCs may be the best agencies to discharge a strong consumer advocacy service (both GPs and the new independent inspectorates proposed are dismissed as unsuitable by the document), but of course the question of extra resources would then need to be addressed.