2016/17 NHS Standard Contract

Optical Confederation and Local Optical Committee Support Unit

The Optical Confederation represents the 12,000 optometrists, 6,000 dispensing opticians, 7,000 optical businesses and 45,000 ancillary staff in the UK, who provide high quality and accessible eye care services to the whole population. The Optical Confederation also represents manufacturers, distributors and importers.

Local Optical Committee Support Unit (LOCSU) supports contract negotiations between Local Optical Committees (or Provider Companies) and CCGs or CSUs in the commissioning of community eye services across England. As a result we have wide-ranging experience of the issues that arise for commissioners and providers who have to work with the NHS Standard Contract.

We recommend the following changes for the 2016/17 NHS Standard Contract:

1. **Streamlined contract for less complex or low value services**

In our responses to the NHS Standard Contract consultations in 2014 and 2015, we pointed out that the NHS Standard Contract was unwieldy and unnecessarily bureaucratic for providers of small-scale services, which acted as a barrier to small businesses and niche providers entering NHS markets. To address this we recommended that a 'reduced' version of the standard contract should be developed for small-scale services that can be service specific. Some minor concessions were introduced for small providers in the 2015/16 contract, but these did not really address the main problem.

We therefore warmly welcome the announcement that producing a significantly streamlined version of the Standard Contract, specifically for use when contracting for less complex services of relatively low financial value, is a priority for NHS England for the 2016/17 contract. We recommend that the use of the reduced contract is made mandatory for appropriate services and clear guidance issued to commissioners to ensure a consistent approach.

The revised version also needs to be available well in advance of the contracting date to encourage small providers to consider bidding for NHS contracts.

2. National service specifications and tailored contract

Contracts with inappropriate or irrelevant clauses continue to be issued by CSUs and CCGs to providers of community eye services. This is due to a lack of understanding and expertise within CCGs and CSUs combined with a lack of flexibility in the contact template. For example, in GC5.2 a number of the sub-clauses do not reflect the fact that the service provided under the contract represents only a small part of the clinical care delivered by an optical practice in any given week. It is not necessary or appropriate for the provider to consider the staffing for the commissioned service separately from the rest of their clinical work. We need to ensure that potential providers—in particular smaller ones—are not put off from delivering vital services to the community by a contract of disproportionate size and scope. Low risk services that that can be delivered in a uniform way nationally are ideal services to be commissioned through a tailored National Standard Contract – reducing transaction costs, consuming fewer commissioning resources, minimising clinician confusion and avoiding a postcode lottery for patients. Such an approach would allow patients access to the same high quality service regardless of where they live and providers to invest more resources in delivering care and better health outcomes.

National service specifications for community eye care services should be made available for commissioners to use alongside a more proportionate and tailored standard contract. This will reduce commissioning and provider costs, resulting in consistency of standards and quality and better value.

We are keen to work with NHS England to produce national standard service specifications for community eye care services based on the national pathways developed by LOCSU.

3. Mandatory use of the eContract

We are not commissioners or contract managers, however, we have worked with numerous CCG and CSU colleagues who have struggled with the paper contract and the eContract, and would stress that a system which works reliably is essential. Although some teams have used the 2015/16 eContract, many have continued with the paper version and we feel that the only way to ensure that the eContract is used by all CCGs and CSUs is to make its use mandatory. Training for users is vital.

4. Training for CSUs and CCGs

We also recommend that further training for CSUs and CCGs on the content of the NHS Standard Contract, and its relevance to different types of services and providers, is crucial to significantly reduce the time and costs being wasted due to the current lack of experience and expertise. This must be prioritised to bring efficiency to the commissioning process both for commissioners and providers.

5. **Endorsement of the standard sub-contract agreement developed by LOCSU for LOC provider companies**

CCGs are increasingly contracting with LOC provider companies for the delivery of community eye care services and these LOC provider companies sub-contract services to the network of local optical practices in the area (similar to the concept of GP Federations).

LOCSU has developed a company model with standard governance and performance monitoring arrangements to support these commissioning arrangements. A standard sub-contract agreement for use between the LOC company and the individual practices has been developed and we would like to discuss endorsement of this agreement by NHS England so that individual CCGs do not have to waste their time and resources and those of the LOC companies exploring whether the agreement is robust enough.

6. **Development of tailored contracts and contracting models to deliver New Models of Care**

We welcome the fact that developing tailored contracts and new contracting models that are needed to deliver new models of care is a priority for NHS England for the 2016/17 contract. Encouraging and incentivising providers across a pathway of care and/or geography to collaborate and commit to shared objectives is a key enabler of integrated care.

We can see that the model alliance agreement aims to support new ways of working. However, we would caution that it appears overly complex in some places and suggest that feasibility testing based on a number of different potential scenarios should be conducted. The Vanguards will obviously provide a number of useful scenarios to test, but it should be noted that much of the work that is going on to test out new care models for eye health services is being led by areas that do not have Vanguard status. We feel it is important that these examples are not overlooked and that the lessons learned are shared. We are keen to work with NHS England on this.