

## **Public Accounts Committee inquiry:**

### **Supporting primary care services: NHS England's contract with Capita**

#### **Written evidence from the Optical Confederation and LOCSU**

The Optical Confederation represents the 13,000 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. As a Confederation we work with others to improve eye health for the public good.

The Local Optical Committee Support Unit (LOCSU) provides quality, practical support to Local Optical Committees (LOCs) in England to help them to develop, negotiate and implement local objectives in respect of primary ophthalmic services.

We very much welcome the Public Accounts Committee's inquiry into the mismanagement of this important service which has adversely affected so many primary eye care providers, who provide essential public health services and are dependent on prompt and correct payment for their NHS contracts to remain solvent. We also commend the National Audit Office for their robust and hard-hitting report.

Since Capita took over the provision of primary care support services in England, optical practices have experienced a host of problems, with some practices – particularly smaller businesses – almost crippled by delayed and under-payments for NHS services they have delivered. As the NAO report says, NHS England has achieved savings, but only at an unacceptably high price to NHS eye care and other primary care providers.

#### **Summary**

- During the tender process for this contract and in the run-up to implementation, we warned NHS England about the over-ambition of the timetable and that Capita would not have the capacity or subject matter expertise to deliver the primary care support service in England.
- Since Capita took over the contract, optical practices have experienced complete service breakdown from Capita, including delayed and inaccurate payments, not being able to get through to helplines and query teams and enquiries being lost, not recorded or not followed up, which have caused serious operational problems and additional costs, worry and uncertainty.
- Once again NHS England has traded on the professionalism of our front-line staff to get away with ill thought-through and poorly managed change.

- In theory optical claims, payments and listing of performers should be straightforward. However, there has been a paper shower of recovery plans but little evidence of effective hands-on management to deliver them.
- To make matters worse, the problems experienced by optical practices are still ongoing: we have continued to see delayed and inaccurate payments for NHS-funded sight tests and voucher claims in each of the last four months as well as valid claims being rejected and returned to contractors by inexperienced staff.

## **1. Background**

Before Capita was awarded the contract for primary care support services, the service was perceived by optical practices as operating well. There were occasional errors, but these were resolved quickly.

The Optical Confederation and LOCSU were formal stakeholders during the procurement process for the Capita contract, and highlighted the complexity and business-critical nature of the support services delivered to the optical sector under the contract. We raised concerns about Capita's ability to retain sufficient subject matter expertise when the work from existing Primary Care Support (PCS) offices was migrated to the strategic sites. We also challenged the ambitious timetable for change, which seemed more predicated on making savings than providing services.

## **2. Problems experienced by optical practices**

Problems began in early 2016 when Capita began the PCS office closure programme, migrating services to their three strategic sites. It rapidly became clear that these were more than just teething problems: as a result of the loss of experienced staff, Capita lacked both the resources and expertise necessary to deliver the service. This was then compounded by their failure to acknowledge the scale of the problem and to put in place effective plans to remedy the situation.

Since that time optical practices have suffered delayed and missing or partial payments for carrying out General Ophthalmic Services (NHS-funded) sight tests. These payments are made in arrears, which means they directly affect small businesses cash-flow and practices are often not able to budget for future expenditure. For example, if demand for services is high, practices will need to roster more optometrists to meet demand, but will not have a budget to cover the cost of employing them.

### **Examples of problems with GOS payments include:**

- a practitioner, who submitted a claim for GOS work in March 2018, has received no response at all from Capita despite chasing on a weekly basis.
- a practitioner who is owed £20,000 owing to inaccurate payments since August 2017. The practitioner has provided a considerable amount of detail to try to help resolve the issue but it takes three weeks before emails are answered. The case was escalated to PCSE senior managers at the start of April 2018 but there has still been no resolution some nine weeks later.
- One practice received a £17,000 over payment, which they identified in September 2017. They have been trying to rectify the problem ever since. Initially PCSE insisted

that the contractor had not been overpaid even after rectification team had carried out a full reconciliation. The contractor, however, was certain it had been and further investigation eventually showed that the PCSE Leeds and Preston offices had both paid the contractor for the same GOS claims. The offices are now awaiting NHS England sign-off to allow deductions to be made.

- a contractor who runs two practices received a call from PCSE on 10 May 2018 to advise him that despite his GOS claims being received on time, he would not be receiving the payment that was due the following day for GOS 3 vouchers owing to an administrative issue. The contractor was advised the claims would be paid in the next payment cycle and only received a faster payment following escalation of his case to PCSE senior management.
- a domiciliary contractor who raised payment queries for a number of areas in July 2017, totalling over £50,000, had still not received the amount due by February 2018 as PCSE had not been able to reconcile the payments in question. The contractor eventually received an ad hoc payment to alleviate the cash flow impact following a request made by LOCSU to NHS England. PCSE have recently made a balancing payment to the contractor following the conclusion of the reconciliation work but without taking the ad hoc payment in February into account. This means the contractor has now been overpaid and is having to agree a further plan for the duplicate payment to be deducted in future months.

Capita have also failed to pay Continuing Education and Training (CET) grants within agreed timescales. CET grants are simple, annual single-payments in response to claims made by practitioners at a fixed point in the calendar, so Capita should easily have been able to plan to make them on time. CET grant payments in 2016/17 were delayed by several months, and 2017/18 payments were also late; Capita announced an extended deadline by which it promised to pay all outstanding claims but missed this publicly announced target as well.

**Examples of problems with CET grants include:**

- many practitioners who submitted claims, did not receive a payment by the deadline, chased Capita on multiple occasions (each time having to deal with a different person and repeat the details of the problem) and then had to escalate their complaint via the Optical Confederation and LOCSU.

Finally, there have also been severe delays in processing applications for an NHS performers list number. It is a requirement that an optometrist must have performers list number in order to carry out NHS-funded sight tests. The impact is largely on newly qualified optometrists and we have heard of these delays causing newly qualified optometrists to:

- lose jobs through no fault of their own
- have to relocate, for instance moving back in with parents, as they cannot afford rent
- incur additional debts and suffer significant stress

The listing delays have also had an impact in the ability of practices to provide NHS sight tests for patients. This is a significant problem for practices with high levels of NHS patients,

and for those NHS patients. A qualified, registered optometrist can provide private eye care without an NHS performers number, but they cannot provide NHS sight testing services.

More generally, Capita has regularly failed to provide practices with accurate financial statements, so practices have found it difficult or impossible to work out what claims have been paid and what are outstanding. When practices have sought Capita's help they have found Capita's customer support services hard to access and ineffective. In many cases practices have only been able to resolve problems by raising these with their representative optical bodies, which have had to escalate individual cases via a member of staff seconded by the optical sector to NHS England.

### **3. NHS England's efforts to rectify the problems**

We have repeatedly raised our concerns with NHS England at the highest level (as well as with Ministers, from whom we have received no substantive response, merely stock lines to take), since we first became aware of problems and have tried to help NHS England identify workable solutions. Despite the numerous recovery and rectification plans Capita have produced, the first dating back to April 2016, they have failed to deliver on any and the ophthalmic payment service is still failing and is well below any acceptable service standard.

#### **In our view NHS England:**

- failed to design the Capita contract in a way that would have allowed NHS England to deal quickly and effectively with under-performance
- focussed on the political imperative of savings over service as the NAO have rightly identified
- lacked the necessary skills and personnel to take control of the situation once Capita's failings and the weakness of the contract became clear

### **4. What NHS England and Capita need to do now to improve services**

As we said in response to the NAO report, it is vital that the lessons of the report are learned.

NHS England is planning full electronic 'service transformation' with Capita in the near future and we have real concerns that this risks being over ambitious, over-rushed and inadequately planned once again.

We have committed to working with NHS England to help deliver this much-needed modernisation but on the basis of properly agreed plans, timescales and support for the NHS front-line. We do not wish to be left shouting unheeded warnings from the side-lines a second time.

It is also vital that NHS England works with Capita to manage the current contract much more effectively (including developing and tracking appropriate KPIs), gets a proper grip of the 'transformation' process and validates disaster recovery plans to avoid a further fiasco. NHS England must also keep in mind the need for effective planning for providing these vital services after the current contract ends.