

Committee(s)	Dated:
Health and Wellbeing Board - For Decision	19 th June 2015
Community and Children's Services - For Decision	10 th July 2015
Subject: Sexual Health GUM (Genito-Urinary Medicine) Payment By Results Contracts	Public
Report of: Director of Community and Children's Services	For Decision

Summary

From April 2013, local authorities have been mandated to provide comprehensive sexual health services to their residential population. This includes open access to genito-urinary medicine (GUM) services, which include outpatient HIV services, HIV testing, specimen analysis and the dispensing of medication alongside a wider range of sexual health services. As it is open access, City residents can access GUM services across the country and the City of London Corporation will be required to pay for it.

To date, the City of London Corporation has been working with local authorities across Waltham Forest, Hackney, Tower Hamlets and Newham to negotiate the tariffs and terms for payment with GUM providers who have the highest activity levels for our local authority areas. These negotiations have resulted in savings for each local authority.

This report presents to Members recommendations for negotiating payments for GUM services in the future.

Recommendation(s)

Members are asked to:

- Authorise officers to work with local authorities in East London to conduct tariff negotiations on an annual basis for the next three years (up to 2017/18) with large GUM providers to secure competitive tariff rates, validate activity against invoices, manage service requirements and issue the City's financial terms and conditions.
- Authorise officers to publish default conditions for financial year 2015/16 on the City of London Corporation website for other GUM providers who do not partake in local tariff agreements, outlining:
- The City and Hackney proposed starting position for 2015/16 baseline tariff rates and outlining our conditions to provide validation information against invoices charged to the City;
- Notifying GUM providers that payments are processed for the City by LB Hackney and of LB Hackney's process for payment and expected compliance with LB Hackney's financial terms and condition requirements prior to being paid.

Main Report

Background

1. From April 2013 Local Authorities have been mandated by regulation to commission comprehensive sexual health services, including HIV prevention and sexual health promotion, open access genito-urinary medicine (GUM) and contraception services for all age groups.
2. The City of London Corporation therefore holds responsibility for commissioning most sexual health interventions and services as part of our wider public health responsibilities, with costs being met from the ring-fenced public health grant.

Current Position

3. We are obliged to provide open access sexual health GUM services. These offer the highest tier of sexual health services, led by consultants with specialist training in genitourinary medicine and will include outpatient HIV services, HIV testing, specimen analysis and the dispensing of medication alongside a wider range of sexual health services. These services, in the large part, are delivered by NHS Health Trusts in clinical settings.
4. "Open Access" means that City residents can present at any GUM service across the country and the City of London Corporation holds a legal responsibility to pay for it. The City of London Corporation therefore receives invoices from across England for the use of these services. This process is managed for the City of London by the London Borough of Hackney, as part of the Service Level Agreement that we have in place for the management of Public Health services.
5. Those delivering GUM services are currently able to utilise the NHS payment by results (PbR) system for recouping costs incurred and charging local authorities for local residents accessing their services.
6. LB Hackney, on behalf of the City of London, are responsible for ensuring that tariff rates for these services are competitively priced and payments are made by result (PbR), against validated activity data ensuring that the City of London are only paying for City residents on mandated procedures.
7. The majority of activity, and cost, is within London at the following Hospital Trusts:
 - Barts Health NHS Trust
 - Central and North West London NHS Foundation Trust
 - Chelsea and Westminster Hospital NHS Foundation Trust
 - Guys and St Thomas' NHS Foundation Trust
 - Homerton University Hospital NHS Foundation Trust
 - Imperial College Healthcare NHS Trust

8. National tariff guide prices are available from NHS England, however local authorities are able to negotiate rates with GUM service providers, should they wish to, taking in to account local factors such as population data, demand and market forces.
9. We have taken this approach with the above six London Trusts who have expressed an interest to enter into these agreements as City and Hackney residents who present at their GUM service represent a significant share of their GUM activity.
10. We conduct negotiations through the North East London Commissioning Support Unity (NELCSU) in collaboration with Waltham Forest, LB Tower Hamlets, LB Hackney, LB Waltham Forest, LB Newham and the City of London Corporation.
11. We continue to monitor the volume of payments in relation to GUM services and, should volumes increase significantly, enter in to negotiations with other providers to ensure an appropriate pricing structure is in place.

Options

12. There are two options for payments for these services in the future; to continue tariff negotiations to secure competitive tariff rates, or to pay all invoices for GUM services regardless of rates or validating the information prior to paying.
13. Option 1 (recommended option): Continuing to negotiate tariff rates. This option enables us to achieve the best value for money for the City, and ensures that as part of negotiation we can set out terms such as ensuring that trusts send us validating information to ensure that the City is only paying for City residents. These tariff negotiations may also represent a cost saving to the City of London Corporation. Alongside this, we can publish the terms for payment on the City of London Corporation website, ensuring that these are set and available to the other health trusts not involved in negotiations.
14. Option 2: to pay all invoices for GUM services regardless of rates or validating the information prior to paying. The impact of this would lead to little control mechanism over expenditure for GUM services, and could lead to financial instability.

Proposals

15. The recommendations that Members are asked to approve are:
 - a. To authorise officers to conduct tariff negotiations on an annual basis for the next three years (up to 2016/17) with GUM providers to secure competitive tariff rates, validate activity against invoices, manage service requirements and issue the City's financial terms and conditions with large GUM providers to fulfil legal requirements to pay for GUM activity. (Conducted in collaboration with the Waltham forest, East London and the City Collaboration).

- b. To authorise officers to publish default conditions for financial year 2015/16 on the City of London Corporation website for GUM providers cross charging for GUM services who do not partake in local tariff agreements, outlining:
 - i. The City and Hackney proposed starting position to 2015/16 baseline tariff rates and outlining our conditions to provide validation information against invoices charged to the City;
 - ii. Notifying GUM providers that payments are processed for the City by LB Hackney and of LB Hackney's process for payment and expected compliance with LB Hackney's financial terms and condition requirements prior to being paid.
16. Financial risks associated with increased demand on GUM services will also be managed through more effective prevention and community based services, which the City is currently developing.

Corporate & Strategic Implications

17. The proposals within this report support the following strategic aims from the Department of Community and Children's Services Business Plan:
 - a. Priority Two – Health and wellbeing: Promoting the health and well-being of all City residents and workers and improving access to health services in the square mile.
 - b. Priority Five – Efficiency and effectiveness: Delivering value for money and outstanding services.

Implications

18. The proposals fulfil legal requirements to pay for cross charging GUM services through tariff negotiations to ensure the City is achieving value for money.

Conclusion

19. The proposals to Committee are the best way to ensure that City residents get access to services while ensuring the best possible value for to the City.

Appendices

- None

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