

Subject:	The Sussex Orthopaedic Treatment Centre (SOTC)		
Date of Meeting:	05 November 2008		
Report of:	The Director of Strategy and Governance		
Contact Officer:	Name: Giles Rossington	Tel: 29-1038	
	E-mail: Giles.rossington@brighton-hove.gov.uk		
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Sussex Orthopaedic Treatment Centre (SOTC) is a Hayward's Health based treatment centre offering elective (planned) orthopaedic procedures such as hip and knee replacement surgery for NHS patients across Sussex.
- 1.2 Although it provides care for NHS patients, the SOTC is privately owned and managed by Care UK (the centre was formerly managed by Mercury Health). The SOTC is one of a number of Independent Sector Treatment Centres (ISTCs) operating across England.
- 1.3 The Health Overview & Scrutiny Committee (HOSC) first examined the performance of the SOTC in 2006, shortly after the centre had opened. At the time there were a number of aspects of the SOTC's operation which were deemed satisfactory, but others which appeared less so: either due to insufficient statistical information being available or to actual operational problems.
- 1.4 The current examination of the SOTC follows on from this initial scrutiny. It is intended to assess whether the SOTC has continued to perform well in those areas where it had previously reported excellent performance; what its performance has been in areas where a paucity of information had formerly made performance analysis tricky; and, crucially, whether there have been significant improvements in the small number of areas which the HOSC had previously identified as being of concern.

1.5 The HOSC has submitted a series of questions on the subject of the SOTC to Brighton & Hove City Teaching Primary Care Trust (PCT), to Care UK and to Brighton & Sussex University Hospitals Trust (BSUHT). These questions and the responses to them are reprinted in **appendix 1** to this report. This mirrors the approach HOSC adopted in 2006. The written questions and answers from the 2006 investigation are reprinted in **appendix 2** to this report.

2. RECOMMENDATIONS:

2.1 That members:

- (1) note the information provided by the PCT, Care UK and BSUHT in response to HOSC questions;
- (2) determine whether there are outstanding areas of concern which may require a further report at some future date.

3. BACKGROUND INFORMATION

3.1 Independent Sector Treatment Centres (ISTCs) are a Government initiative designed to encourage independent sector involvement in NHS healthcare, to provide extra clinical capacity in certain parts of the country, to reduce NHS reliance upon “spot-purchasing” from independent providers, and to encourage clinical innovation.

3.2 ISTCs are privately owned and managed centres, typically providing a narrow range of services: for instance, joint replacements or cataract surgery. By focusing on relatively few procedures, it is envisaged that treatment centres will swiftly be able to develop expertise, enabling clinicians to build up extensive experience within their specialities, thereby ensuring the best possible clinical outcomes and encouraging the development of innovative practices.

3.3 As specialist centres, ISTCs may offer a wide range of services within their speciality (performing very complicated as well as relatively straightforward orthopaedic procedures, for example), but typically will not treat patients with complex co-morbidities which may demand a wider range of specialisation. Thus, the SOTC would not typically treat patients requiring very high levels of anaesthetic support: they would be referred to BSUHT staff at Princess Royal Hospital. There is an obvious logic to such arrangements, as patients with major co-morbidities will typically require a range of input which specialist centres cannot, by definition, provide. However, this aspect of ISTCs has also been criticised as (effectively) ‘cherry-picking’, with ISTCs passing the most complex (and potentially expensive/risky) procedures back to NHS acute Trusts.

- 3.4 Generally, ISTCs have been sited in areas where a capacity problem has been identified. Often in such areas, waiting lists are either very high, or have been managed by local PCTs 'spot-purchasing' procedures from independent sector providers, often at very uncompetitive prices. However, not all ISTCs provide extra capacity; the SOTC, for example, provides elective orthopaedic services which were, to a large degree, formerly provided by Brighton & Sussex University Hospitals Trust at the Princess Royal Hospital (Hayward's Heath).
- 3.5 ISTCs are required to provide services at the NHS tariff (the set price charged by NHS providers for particular procedures).
- 3.6 The ISTC initiative has been a controversial one. Critics of ISTCs have voiced a number of concerns, ranging from worries about increased independent sector involvement in the NHS, to fears that ISTCs could undermine local NHS services by 'poaching' NHS staff or taking work which might otherwise be undertaken by NHS providers. Critical attention has focused particularly on the Department of Health contracts with ISTC providers, which typically include a block-purchase of procedures, for which the ISTC is paid even if all the work is not required.
- 3.7 Whether such criticisms of the general ISTC initiative are valid or not, it should be noted that the SOTC is not a typical ISTC, and that some of these generic issues may therefore not be of local relevance. For instance, because the SOTC has effectively replaced mid-Sussex NHS orthopaedic services rather than providing additional capacity, the centre has not taken work away from local NHS providers to a very significant degree. Similarly, because the SOTC is not directly competing against local NHS providers there is unlikely to be a situation in which referrals in to the SOTC are significantly lower than the contracted procedures local PCTs are obliged to purchase from it. (In 2005, the HOSC was told that referral into the SOTC was at or above the contracted rate. The SOTC had not been able to undertake all this work on schedule, but the centre was committed to making up this backlog, either by performing extra procedures or by spot-purchasing from local independent providers at its own expense. There was therefore no question of the SOTC being paid for procedures it did not perform.)

4. CONSULTATION

- 4.1 No formal consultation has been undertaken in regard to this report.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The SOTC is funded via local NHS Primary Care Trusts. There is no direct council financial involvement in this service and there are therefore no financial implications arising.

Legal Implications:

- 5.2 There are none.

Lawyer Consulted: Elizabeth Culbert; Date: 20.10.08

Equalities Implications:

- 5.3 The SOTC provides services for groups of people who may have particular vulnerabilities: notably older people and/or people with disabilities.

Sustainability Implications:

- 5.4 The SOTC is a specialist treatment centre; part of a much broader NHS initiative to provide some specialised healthcare on a regional rather than a local basis. As such, the existence of the SOTC has potentially negative implications for transport times etc. This problem is recognised within the Local Health Economy, and a good deal of ameliorative work has been done in terms of ensuring that patients who have to travel to the SOTC for surgical procedures can receive initial assessments, physiotherapy, outpatients appointments etc. locally.

Crime & Disorder Implications:

- 5.5 There are none.

Risk and Opportunity Management Implications:

- 5.6 The SOTC has been set up as part of a Government initiative. There is no obvious risk or opportunity for the council.

Corporate / Citywide Implications:

- 5.7 Orthopaedic problems can have a major impact upon people's ability to work or to live independent lives. Excellent clinical orthopaedic services are therefore an important factor in ensuring that all city residents are enabled to live as independently as possible.

SUPPORTING DOCUMENTATION

Appendices:

1. HOSC questions about the SOTC (answers from Care UK, BH PCT and BSUHT are pending and will be available in time for publication in the full committee papers);
2. Extract from the Nov 2006 HOSC papers (questions and answers regarding the SOTC).

