

PCC Partners: **Managing optical contracts** **Improving claiming and ending waste**

Financial responsibility for managing high street optical services has now been devolved to PCTs, so maximising the potential and cost effectiveness of these services is now a key priority for the NHS.

Many commissioners are finding out that there is much variation in the quality of services, the value for money they provide and the accuracy of the claiming process for providing these services. Better contract management is a key lever for change. Well managed contracts deliver value for money and make it easier to fund the open ended service requirement which is integral to general ophthalmic services. Poorly managed contracts will mean that money that could be spent providing more sight tests or improving the eye health of local people may be wasted.

Productive optical contract management

In April 2010 £468m was devolved by DH to PCTs to manage 6,000 general ophthalmic services (GOS) contracts, an average of over £3m per PCT.

Many PCTs have allowed the claims of optical contractors to go unchecked, and inaccurate and inappropriate claiming procedures have become ingrained into the fabric of optical services in many areas. Other financial pressures include the 2.2% increase in the sight test fee for 2010/11, which was made without the support of central funding, and the 7% year on year increase in demand for sight tests and optical vouchers. These factors help explain why PCTs are already running sizeable deficits on their GOS budgets.

PCC's contract management package will help your PCT meet QIPP targets and satisfy demand for sight tests and optical vouchers by reducing misclaiming and increasing return on investment.

How we can help

We can work with you to develop a robust performance management tool that will enable you to talk to your providers so that they understand what the PCT expects of them in performance terms, and what the consequences of misclaiming might be. We will support your PCT to enable you to effectively performance manage NHS optical services contracts and provide training to the PCT optical contracts team.

Many PCTs have new members of staff who need support to understand the complexity of NHS contracts, optical services and providers.

During the delivery of this package of support we will train your staff so that when we leave you they are competent and capable to continue to effectively manage optical contracts on an ongoing basis.

Elements of the package

The process starts with a diagnostic review of the PCT's existing processes to identify any gaps, assess the viability of delivering an improved process and any potential risks.

Then PCC will submit a proposal setting project goals and estimating return on investment.

Robust policies that meet regulatory requirements are essential. **The policy review:**

- Examines existing policies
- Identifies shortcomings and missing elements
- Assesses regulatory compliance

A frequent problem is that even when policies are sound, the contracts themselves may contain substantial inaccuracies. **The contract review:**

- Assesses current documents for completeness and accuracy against the contracted service
- Checks the information held on the OpenExeter OPS system as it will need to accurately reflect contract and performer information
- Recommends future review processes

The third element of the project is a **governance structures review** which looks at current structures for the management and commissioning of optical services including possible tendering of local enhanced services. This phase will include a report considering current practice against the good practice identified by DH guidance and the PCC knowledgebase.

Sound processes for contract compliance visiting, post-payment verification (PPV) and day to day management of claims vetting procedures are essential -- including those undertaken on the PCT's behalf by a support services agency.

Reports on **contract assessment and management** look at these issues and also review the PCT's breach and remedial processes to ensure that they comply with all the necessary requirements.

The **reporting** phase allows the knowledge gained during the project to be embedded in the commissioning PCT. Reporting includes:

- A risk assessment and handling plan as the process has the potential to cause dissatisfaction among the local optical contractor community. The PCT will need to understand any potential problems or disruption and have in place a process to mitigate these risks.
- Details of any structures likely to be required to support the policy development and contract review process. For example we can advise on the composition of local steering groups, if required.
- A process for managing communications with contractors.
- Mechanisms for engaging with stakeholders including the PCT board, finance, optometric adviser, the senior management of any support services agency as well as patient groups and professional bodies.

A **final review** of the programme will result in a detailed handover brief which will:

- Highlight areas of concern/potential issues for each contractor
- Identify financial implications for the PCT and the contractors
- Recommend how the PCT might address these, including the identification of contract breaches
- Transfer knowledge and capability to the contracting team
- Prioritise contracts for PCT action

Contact

For further details of individual PCC Partners packages see our website at:

www.pcc-cic.org.uk

or call Sue Briefcliffe on 0113 398 4031