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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	Performance and Finance	Agenda Item	2e
Report Title	Medical Locum Caps		
Report Author	Sharon Vickery, Head of HR Delivery Units and Medical HR		
Report Sponsor	Hamish Laing, Executive Medical Director, Hazel Robinson, Director of Workforce and OD, Lynne Hamilton, Director of Finance and Chris White, Interim C.O.O.		
Presented by	Hazel Robinson, Director of Workforce and OD		
Freedom of Information	Open		
Purpose of the Report	This report is submitted to the Performance and Finance Committee to provide an update on the implementation of the Medical Locum Cap within ABMU. The detailed progress reports attached to this report in the appendices are provided to Welsh Government on a monthly basis.		
Key Issues	This report sets out the positive progress, challenges and follow up actions required to improve implementation of the all Wales agency caps.		
Specific Action Required (please ✓ one only)	Information	Discussion	Assurance
			✓
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the content of the Welsh Government submission and give retrospective approval to the documentation • Note the progress and challenges outlined • Note the follow up actions. 		

MEDICAL LOCUM CAPS

1. INTRODUCTION

This report is submitted to the Performance and Finance Committee to provide an update on the implementation of the Medical Locum Cap within ABMU. The detailed progress reports attached to this report in the appendices are provided to Welsh Government on a monthly basis.

Each month the Performance and Finance Committee receives and approves the information submitted to Welsh Government relating to organisational compliance of the medical locum cap. May data was submitted to Welsh Government on the 18th May 2018.

2. BACKGROUND

The medical locum cap was introduced across all Health Boards in Wales in November 2017. Please note that the term agency doctor is used to denote external agency cover and ad hoc locum denotes internal doctors providing cover. Key areas of progress, performance and ongoing challenges are summarised below:

2.1 Positive Progress

1. It is positive that following the provision of further focused training and additional support the May data has improved once again in terms of both completion and accuracy. It should be noted that the data is now beginning to allow a much richer analysis which is reflected later in the report.
2. Agency – Less positive progress is reported for May 2018. The percentage of agency doctors paid at or below the capped rates in terms of the number of assignments is set out as follows:-

February 2018	March 2018	April 2018	May 2018
40.38%	47.2%	56.25%	36.2%

The percentage of agency doctors paid at or below the capped rates based on hours is 21%. The total number of agency hours booked however in May has reduced markedly from 4,485 in April to 2,478 in May. It is believed that the reduction in hours is due to the lack of supply of agency doctors due to the capped rates and the inability to pay travel and accommodation. It is assumed that those who have worked for the HB therefore will expect higher rates due to market forces. This will be kept under review to see if this trend continues.

3. Internal ad hoc locums – again some positive progress has been achieved. The percentage of the internal ad hoc locums paid at or below the cap is set out as follows :-

February 2018	March 2018	April 2018	May 2018
60%	77%	81%	73.1%

The percentage of agency doctors paid at or below the capped rates based on hours in April was 86% and in May stands at 83%. This signals that possibly there has been a slight increase in rates paid to internal doctors and this may be linked to the shortage of agency doctors which could lead to some individuals then negotiating higher rates. Again this trend will be kept under review.

- The Health Board had provided Welsh Government with estimated agency/locum monthly spend of £1,377k per month for 16/17. For April the estimated spend was based on the actual spend in 17/18 which may have reduced due to the introduction of the caps in November 2017. This rate assumes a level of savings as agreed with Welsh Government. Expenditure was as follows;-

February 2018	March 2018	April 2018	May 2018
Ant. Spend £1,377k per month	Ant. Spend £1,377k per month	Ant. Spend £1,245 per month	Ant. Spend £1,245 per month
£1,026K	£1,243K	£1,079K	£1,224

Although costs have risen in May it is positive to note that each month the spend was lower than anticipated. One possible explanation for the increase in costs could be that the costs in this table reflect the ledger i.e. actual expenditure incurred. If claims have been submitted for pay late by some doctors, this could inflate the costs. It should be noted both Agency and Ad hoc locum costs this month, based on booked data, as recorded by the new system have reduced.

2.2 Challenges and Areas of Further Activity

- Compliance with the monitoring and approval process increased again in May and seeking Executive sign off via the breach forms has improved markedly. There has been success in developing a pragmatic solution to the problem of recording multiple bookings and this has helped the situation. There remain a few challenges to achieve 100% compliance and we continue to work on this.
- During this month's reporting it has become apparent again that some areas are reporting locums booked or worked in previous months and booked for future months. The breakdown is indicated below. This will be addressed with the various areas concerned:-

Unit	Bookings	Hours	Total Cost
Morrison	6	131	£6,322.00
Princess of	1	15	£675.00

Wales			
Singleton*	4	43.50	£2,844.60

*Singleton has included bookings for the beginning of June

3. Attached as Appendices 3 and 4 (Please refer to section 2.4 for the order of appendices) is data reflecting the highest utilisation of locum shifts by Delivery Units and Specialty. It should be noted that last month there appeared to be little correlation between the March and April graphs for Agency staff suggesting the pressures are sometimes fairly fluid depending on where the gaps appear. This month however it is clear that in Morrision that Surgery is both a pressure for agency and ad hoc locum utilisation. For the Princess of Wales it is clear that Radiology is the biggest agency spend with a spread across ED, General Medicine and Surgery for internal cover. Singleton's main spend for both agency and ad hoc cover is General Medicine. Appendix 1, Table 10, shows again that Anaesthetics in Morrision and the Princess of Wales are consistently the highest paid ad hoc locums in the Health Board. The Consultants are being paid waiting list initiative rates when it is thought they are not true waiting lists. This month richer data has been provided regarding the payment of these rates and the Committee should note that the following reasons have been stated for the cover :-

Reason for Cover	Nos of Hours Worked
Sickness	116.75
Annual leave	48.75
3rd weekend cover	30.00
Gap	116.25
Increased Capacity	146.25

4. The Princess of Wales Hospital was the only Delivery Unit that did not meet its anticipated savings targets in March, April and May 2018. They are, however, the biggest user in terms of external agency. The impact of this, however, was offset by other reductions in spend in the other Delivery Units.
5. There is increasing evidence that as the medical locum cap prevents the payment of accommodation or travel that this is having a negative effect on the supply of external agency staff.
6. The Performance and Finance Committee again will note that fundamentally, the underlying factors impacting on the compliance with the medical locum cap and agency usage more generally will only be resolved through both increasing the supply of medical staff and reviewing medical rotas. Increasing the supply of the medical workforce is a strategic issue that needs to be addressed to sustainably reduce the reliance on the use of agency doctors. It should be noted however there has recently been an issue with immigration rules meaning that since February, eleven overseas doctors have been refused entry to the country and the right to work .

A review of medical rotas is underway but is not yet yielding any significant benefit due to the high number of vacancies. Another measure to alleviate these issues is the opportunity to concentrate staff on fewer sites, which could be delivered through service reconfiguration. Unfortunately, none of these solutions offer short term resolution.

2.3 Further Action

1. Each month a compliance report is produced and shared with the Delivery Units' Senior Teams and Senior Human Resource Managers. This information is being used to drive up compliance with the system, in particular the issue around breach forms. Persistent problems are being tracked and none have been reported in May. This is kept under constant review.
2. Further training and re-training is still being offered to support the Delivery Units and appears to be an ongoing need as illustrated in section 2.2.2 and also to pick up any new users of the system.
3. Working with the Interim Chief Operating Officer, medical locum caps will feature as part of the informal Performance Reviews conducted with the Delivery Units' Senior Teams. Specific issues affecting their Unit will be highlighted to allow the teams to explore and investigate the issues and agree further action. There is a meeting on the 20th June to look at the anaesthetic spend at Morriston as highlighted in section 2.2.3 of this paper.
4. Through the Recovery and Sustainability workstream there is a recommendation to develop and implement recruitment strategies for key staff groups which will include the medical workforce. Also the Workforce Redesign workstream will drive work increased role substitution which is likely to benefit this area of spend in time.
5. On the 18th June the Executive Team will hear a presentation from Medacs and Kendall Bluck (KB). KB have worked with Trusts in England and have driven innovative and cost effective solutions in a number of areas such as Radiology, ED and through a review of junior doctor rotas. Medacs have been working on the 18 of the longest serving agency doctors to assess what the savings could be if we were to replace them with substantive doctors. As an illustration this table has been taken from the Welsh Government report with some additional detail added:-

Top Ten Longest Serving Locums

Number (from longest consecutive period)	Specialty	Aggregate of Hours worked	Length of assignment	Hourly Rate £	% to Capped rate
1	Obs & Gynae	9,467.50	4 years 6 months	79.38	39%+
2	Paeds	7,398	3 years 6 months	73.68	29%+

3	Rehabilitation	6,687	3 years 2 months	66.43	0%
4	Gen Med	5,180.50	2 years 4 months	45.76	0%
5	Obs & Gynae	3,526.50	1 year 6 months	78.34	37%+
6	Oncology	3,212	1 year 5 months	117.85	21%+
7	Gen Med	3,014	1 year 4 months	45.76	0%
8	Adult Psych	2,450	1 year 1 month	97.22	0%
9	Haematology	2,100	1 year	83.62	14%-
10	Oncology	1,524	1 year	117.85	21%+

+ Denotes percentage over cap, - Denotes percentage under cap, 0= in line with capped rates.

2.4 Welsh Government Submission

Please refer to the following Appendices for details of the May 2018 submission:-

Appendix 1: May WG Report

Appendix 2: May Finance Assessment

Appendix 3: May Agency Top Five Specialties by DU and Utilisation

Appendix 4: May Internal Ad Hoc Locum Top Five Specialties by DU and Utilisation.

3. GOVERNANCE AND RISK ISSUES

The main risk with this work lies in the overall supply of doctors. These factors are covered in section 2 and sets out the interface with the work associated with the Recovery and Sustainably Programme.

4. FINANCIAL IMPLICATIONS

The financial details are set out in section 2 and in Appendix 2.

5. RECOMMENDATION

That the Performance and Finance Committee note:

- The content of the Welsh Government submission and give retrospective approval to the documentation
- The progress and challenges outlined above
- The follow up actions.

Governance and Assurance							
Link to corporate objectives <i>(please ✓)</i>	Promoting and enabling healthier communities		Delivering excellent patient outcomes, experience and access	Demonstrating value and sustainability	Securing a fully engaged skilled workforce	Embedding effective governance and partnerships	
				✓	✓		
Link to Health and Care Standards <i>(please ✓)</i>	Staying Healthy	Safe Care	Effective Care	Dignified Care	Timely Care	Individual Care	Staff and Resources
			✓				✓
Quality, Safety and Patient Experience							
Whilst there are significant recruitment difficulties the supply of locum doctors is vital to safe patient care.							
Financial Implications							
Securing these doctors at appropriate rates is also key to the recovery and sustainability of the Health Board							
Legal Implications (including equality and diversity assessment)							
Not applicable.							
Staffing Implications							
None other than the need to improve the supply of the medical workforce							
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)							
Not applicable							
Report History	A similar report is presented to the Committee monthly to scrutinise the WG submission which is submitted in line with their timetable.						
Appendices	Appendix 1: April WG Report Appendix 2: April Finance Assessment Appendix 3: Medacs comparative data by Grade and Health Board Appendix 4: April Agency Top Five Specialties by DU and Utilisation Appendix 5: April Internal Ad Hoc Locum Top Five Specialties by DU and Utilisation						