

ABM University Health Board	
17th January 2018 Workforce and Organisational Development Committee Agenda item: 12	
Subject	Medical Agency Caps
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Approved by	Hamish Laing, Executive Medical Director
Presented by	Hamish Laing, Executive Medical Director

1.0 Situation

To update the Workforce and Organisational Development Committee around Welsh Government's decision to implement pay caps to limit the pay of external and internal locum doctors.

2.0 Background

The caps were introduced for external agency doctors on the 13th November 2017 and for internal ad hoc locums from the 27th November. The implementation plan was submitted to Welsh Government on the 3rd November and the Health Board considered this plan at its meeting on the 8th December 2017.

3.0 Assessment

An overview of progress and lessons learnt is described below for information:-

External Agency Doctors

The Health Board had 39 locums as at the 13 th November and still has 39 locums based on existing and new bookings.	New/renewed assignments booked since 13 Nov	Re-negotiation of existing assignments
Reduced rate to cap	0	7
Reduced rate but still above cap	0	1
Moved to NHS terms	2	3
Refusing to reduce rate	6	25
Ongoing discussions about moving to NHS	2	2

3.1 Narrative assessment of progress since ADH caps introduced

It has only been able to review four days of data (27th November to the 30th November) and there have been few breach forms sent to Executive Directors for approval. The analysis of these shows that many internal shifts are below the cap, which is encouraging. There is evidence in Medicine in Singleton and to a lesser extent in Morriston that some rates are being reduced, even though they were below the cap before the project was implemented.

The Health Board is working with clinical departments to ensure process compliance and gather data to understand in more detail how well the system is operating.

4.0 Description of Positive and Negative Lessons Learned

4.1 Positive Lessons

There is evidence that some agency doctors are reducing their rates when departments are standing firm with their decision not to breach the cap and we are hopeful that this behaviour change will spread with time. Medacs are reporting that the process implemented by the Health Board is supplementing the data that they routinely collect which will assist in producing meaningful management intelligence.

From the reported external locums as at 13th November when the cap was implemented there has been a weekly saving of **£2,258.79** which amounts to a yearly saving of **£27,326.42** on locum rates. This is due to eight locums reducing their rates, seven coming down to cap and one reducing their rate but not quite to cap. Current numbers for those who were in post at the 13th November are:-

Compliant with cap	Variance 0%-20%	Variance 21%-40%	Variance 41%-60%
9	8	16	5

Left – exit strategy delivered i.e. not renewed	Transfer to NHS being processed	Agreed reduction to cap	Agreed reduction but not to cap	Refused reduction
2	3	8	1	24

Three doctors are transferring to zero hours NHS contracts: in Psychiatry at Cefn Coed Hospital, General Medicine across Singleton and Morriston and one in Cardiothoracic at Morriston. Also the three long standing locums at Neath Port Talbot Hospital all have now all reduced to cap and are considering NHS employment as they now have enough experience to hold substantive posts.

The current Live Locum overview as 15th November 2017 is:-

RAG STATUS	No	%
Red - £10 Above	24	57.14%
Amber - Between £5 - £10	2	4.76%
Green - Under £5	5	11.90%
Dark Green £0 or below	11	26.19%
Total	42	100.00%

There is a difference between the total number in the tables above and the RAG rated table as the first set of tables relates to what was in place when the caps came in and the RAG rated table tells the story of where we are now. Medacs, though their “Reduce and Replace Strategy” are working on nineteen posts and are advertising for doctors to replace the current higher paid locums.

In terms of pre-existing breaches, Psychiatry has been a real success with nine out of the eleven doctors either reducing to the cap or moving to NHS employment. We have seen effective challenge by the Trauma and Orthopaedic services at Morriston, Singleton and Princess of Wales which have stated they do not want to continue to breach. All agency Trauma and Orthopaedic shifts are out for the Reduce and Replace Strategy. This carries risk however as they are due for renewal at the end of December yet the departments will not currently alter their position.

The process we have instigated is providing better corporate oversight of internal locum rates as we did not have a central information repository previously.

4.2 Negative Lessons

Re-negotiation of the existing agency contracts is proving unsuccessful in a number of areas. Agency doctors are reluctant to reduce their rates knowing there is a commitment to honour the current contracts. The Health Board has achieved some success however and we will continue to work on this.

Both the external and internal process is under some strain. Medacs are reporting that they do not receive the necessary forms in all circumstances and based on the Health Board’s reflections and analysis, there is evidence that not all approvals are being pursued for internal locum doctors. We have noted however that internal rates are considerably lower than external agency rates and involve smaller breaches.

From January 2018, the Delivery Units will hold weekly scrutiny panels to allow the Unit Service Directors and Unit Medical Directors to scrutinise (most) requests prospectively. Any that require Executive approval will then be forwarded to the relevant Executive Director. The Executive Directors will hold a monthly review panel to scrutinise the requests and the challenges being applied at Delivery Unit level.

The process creates significant additional work and so is not popular. We have committed to review the process in January to see how it can be improved and will involve all stakeholders in this to encourage ownership. Once the process is settled, we need to make it as digital as possible to introduce workflow, improve efficiency and reduce duplication. Proposals for an all Wales “Medical Bank” if supported, need to move at pace given the pressure on our staff.

The Health Board has had sight of the Medacs data for November which is presented in the format requested for the January report for Welsh Government. The anticipated spend, based on the shifts booked is just under £1.2m. This seems higher than expected from the trend reports. This may reflect the difference between “work that is booked” and “work that is undertaken”, with locums being secured to work a higher number of hours than undertaken. This issue could affect the estimation from the reports by Welsh Government of anticipated savings, unless Welsh Government change this.

5.0 Emergent Issues and Trends

From early analysis, the Health Board has seen that Emergency Medicine in particular but also Radiology, Pathology and Oncology are experiencing significant recruitment pressures. If this is confirmed by other Health Boards there may be merit in Welsh Government and Health Boards working together now to develop more sustainable recruitment and retention solutions for those specialties, rather than wait for a full data set to become available over coming months.

In common with a number of Health Boards, the request and approval process is effecting a cultural change. We have seen from our neighbours in Cardiff and Vale and Hywel Dda that having implemented such a process previously, there is less challenge to mandate compliance. As a Health Board we are committed to continuing this journey to compliance.

6.0 Recommendations

That the Workforce and Organisational Development Committee notes:

- The progress and lessons learnt from implementation
- The work that is progressing to improve compliance with the process.