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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	Performance and Finance	Agenda Item	
Report Title	Medical Locum Caps		
Report Author	Sharon Vickery, Assistant Director of Workforce - Delivery Units and Medical Staffing		
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 <i>(please ✓ one only)</i>	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. June data was submitted to Welsh Government on the 17th July 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 Progress

1. Following the provision of further focused training and additional support the June data has improved once again in terms of both completion and accuracy, now beginning to allow a much richer analysis.

2. **Agency** – less positive progress is reported for June 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:-

Assignments				
February 18	March 18	April 18	May 18	June 18
40.3%	47.2%	56.2%	36.2%	28.6%

- The percentage of agency doctors paid at or below the capped rates based on hours improved in June to 33.2% compared to 21% in May.

Hours				
February 18	March 18	April 18	May 18	June 18
43.1%	39.8%	41.5%	21%	33.2%

- The total number of agency hours booked in May reduced markedly from 4,485 in April to 2,478 in May. In June however the hours rose considerably to 6,678.

Hours Booked				
February 18	March 18	April 18	May 18	June 18
7,589	8,778	4,485	2,478	6,698

- An analysis of these hours revealed that 5,280 hours have been booked for only 12 doctors. It is believed that this has been done to fill identified gaps in preparation for the August rotation. These are longer term assignments which are more attractive to agency doctors and therefore supply has been more readily available. Of these 12 locums adherence to the capped rates is as follows:-

No of Doctors	Adherence to the Capped rate
4	At capped rates
2	Paid one penny over
2	Paid between £10 - £11 over
2	Paid between £17 – 19 over
2	Paid between £20 - £21 over

- In general, however, there continues to be a general lack of supply of agency doctors willing to work at capped rates. The rate cap itself is further exacerbated by the inability to pay travel and accommodation. This will be kept under review to see if this trend continues.

3. **Internal ad hoc locums** - the percentage of the internal ad hoc locums paid at or below the cap by assignment is outlined below :-

Assignments				
February 2018	March 2018	April 2018	May 2018	June 2018
60%	77%	81%	73.1%	70%

- The percentage of agency doctors paid at or below the capped rates based on hours in April was 86% and in May was 83%. In June this stands at 78%.

Hours				
February 2018	March 2018	April 2018	May 2018	June 2018
70%	78%	86%	83%	78%

- There has been a very slight increase in rates paid to internal doctors and this may be linked to the higher rates being paid to agency doctors which could lead

to some individuals then negotiating higher rates. This trend will continue to be monitored. In June 6,678 hours were booked.

- The Health Board has set a target agency/locum monthly spend as outlined in the table below. Actual expenditure for the financial year to date is as follows:-

February 18	March 18	April 18	May 18	June 18
Target				
£1,377K	£1,377K	£1,245K	£1,245K	£1,245K
Actual				
£1,026K	£1,243K	£1,079K	£1,224K	£1,678K

- A sharp increase in expenditure is recorded for June. This is the first month where expenditure is reported at above target levels. This is almost wholly attributable to an increase in agency expenditure, rising from £235K in May to £578K in June. Ad hoc locum costs reduced slightly this month, based on booked data.
- It should be noted however that fully aligning shifts booked, worked and paid is complex. On occasions claims are submitted late which impacts on the monthly spend profile.
- Based on expenditure reported through the ledger Morriston met its target, Neath and Mental Health underspent, however Singleton slightly overspent with the greatest overspend at POW.

Unit	Expenditure Target
Morrison	
Singleton	
POW	
NPT	
MH/LD	

2.2 Challenges and Further Actions

- Work continues with the Delivery Units to improve confidence and compliance with the system which is improving month on month. The current manually driven process however is extremely labour intensive.
- An IBG bid has been prepared to purchase the Allocate product “Locum on Duty” which will provide the software to set up a medical bank. This will digitalise the system for users and enable a more robust and visible process for shift management and booking. This is a fairly new product and those who have purchased the product, including BCU are reporting a much greater uptake of shifts from internal ad hoc locum doctors.

- One benefit is that all doctors (including locum only doctors), will be able to see all shifts advertised and will be notified via an app to their preferred smart phone, tablet or PC, increasing internal market supply and potentially pushing costs and rates downwards.
- This system will also support more accurate cost reporting. At present they rely on the accuracy and completeness of the returns from the Delivery Units. The system will also eradicate doctors submitting ADH forms late as this will be automated by the system and paid as the work is done.
- Appendices 3 and 4 highlight the highest utilisation of locum shifts by Delivery Units and Specialty. The utilisation of agency and locum varies notably each month and no general pattern has yet emerged and utilisation remains highly unpredictable This is summarised below:

Delivery Unit	May 18	June 18
Moriston	Surgery was both a pressure for agency and ad hoc locum utilisation.	T&O dominated agency spend Dental were the highest users of internal cover, with a spread across Anaesthetics, ED, Surgery and General Medicine.
Singleton	Main spend for both agency and ad hoc cover was General Medicine.	Agency in O&G. Paediatrics was its highest user of internal locums, with some cover provided in Surgery and General Medicine.
POW	Radiology was the biggest agency spend with a spread across ED, General Medicine and Surgery for internal cover.	Agency doctors in O&G and internal cover was in the main concentrated in ED and Surgery.

- Work continues with Medacs to replace the longest serving agency locums with permanent staff. The analysis has highlighted that despite the agency introductory fee the savings across the board could be circa £1m per annum. Currently, Medacs and the Medical HR Team are meeting each Delivery Unit including the Unit Medical Director, to review each post to develop a plan for each of the longest serving locums. The outcome of this work will be reported to the Director of Workforce and OD and the Chief Operating Officer.
- Following the analysis of the increase in hours in June, Medacs have been asked to look at the Consultants in that list as they are the most expensive resource to understand if permanent recruitment is an option, or if not if cheaper locums can be sought for the future.

- At the informal Executive Team, on the 16th June, Kendall Bluck, who work in partnership with Medacs, presented the work they have undertaken in a range of Trusts in England which has generated considerable savings. They are a group of clinicians allowing clinician to clinician challenge. They reported the work they had undertaken in England in respect of Emergency Departments, Radiology and junior doctor rota review. The Executive Team agreed to contract Kendall Bluck to work in the Emergency Department at Morriston and to undertake a review of junior doctor rotas, concentrating initially in the most fragile areas.
- The Health Board is currently developing the scope of this work and agreeing with the Procurement Department how to engage this company. It is anticipated that this work will commence in the Autumn 2018.
- At the last Performance and Finance Committee meeting, a review of Anaesthetics in Morriston was requested given that repeatedly Consultants in Anaesthetics have routinely carried out core work whilst being paid waiting list initiative rates at £154.00 per hour.
- In this context it is helpful to highlight the work already done on this issue.
- There was a paper issued by the Morriston DU in June 2017, agreed by the Health Board, to tackle the issue with reduce the high rate payments being made in Anaesthetics at Morriston. Whilst a number of actions remain incomplete, significant progress has been made to reduce additional payments (WLI and irregular payments) to consultant anesthetists and intensivists. In 2016/17, additional payments totaling £2.280 million were made whilst in 2017/18 this figure reduced to £1.424 million, a reduction of £856k. This has been achieved in part by making locum/substantive appointments into areas that historically had demanded high rates of additional payments to ensure continued service provision.
- Whilst progress has been made, this area remains work in progress and the update is as follows:-
- Work continues to reduce additional payments and the introduction of the Medical Agency Cap has highlighted the continued use of WLI rate payments to cover routine work and short term cover e.g. sickness. The UMD at Morriston and the Service Group Manager have prioritized working with the Cardiac Surgery service to ensure that resources are aligned to provide the most effective and efficient service and one that delivers safe and effective care as well as its contractual obligations to its commissioner, WHSSC.
- Whilst further efficiencies continue to be made, a core issue remains in that there is a need to provide services 52 weeks a year, whilst establishment

funding is for 42 weeks. The longer term plan therefore must be to ensure that funded establishments are sufficient to enable core capacity to be delivered. This will require the recruitment of new consultants in specialties that are increasingly challenging to recruit into and is therefore not a short term plan.

- Following a meeting of the Unit Medical Director , Service Group Manager Clinical Services , SHRM and Associate Director of Finance at Murrison the following actions were agreed:-
 - ✓ Service Group Manager to undertake a gap analysis to provide a long term workforce plan to establish what is required to eliminate the need to pay excess payments.
 - ✓ A review of the Department's internal processes to ensure that consultant DCC is allocated to areas of greatest priority and is used in the most efficient way possible.
 - ✓ Consider resetting the rule book to reduce the amount paid to below the Agency cap with the associated risks that sessions will not be covered
 - ✓ The Health Board has also asked Medacs to see what opportunities exist for permanent recruitment at consultant level into Anaesthetics and ITU.
- 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. The recent decision of the Home office to remove doctors and nurses from the monthly quota for Tier 2 certificates should help any recruitment campaigns.
- A review of medical rotas is underway but is not yet yielding any significant benefit due to the high number of vacancies. This work will be greatly helped by working with Kendal Bluck when they commence in the Autumn. Another measure to alleviate these issues is the opportunity to concentrate staff on fewer sites, which could be delivered through service reconfiguration, which is not a short term solution.
- 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.

2.3 Welsh Government Submission

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

Appendix 1: June WG Report

Appendix 2: June Finance Assessment

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

Appendix 4: June 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: June WG Report Appendix 2: June Finance Assessment Appendix 3: June Agency Top Five Specialties by DU and Utilisation Appendix 4: June Internal Ad Hoc Locum Top Five Specialties by DU and Utilisation						