

Case study: Host commissioning



Overview

The Optum™ Contracting Team, based at Milton Keynes CCG, managed the main acute contract for CCG for nearly two years. The team reduced the exposure on the main acute contract by developing, embedding and enacting appropriate contract levers.

Objectives

The team was responsible for ensuring robust efficient contract management of the main acute contract.

Our approach

The team developed a robust contract management process to successfully manage the main acute contract. Regular communication with the provider through a structured meeting schedule ensured a sound working relationship between the CCG and the provider. The team worked alongside the CCG's operational and finance teams to establish consistent robust financial projections to support the board's financial obligations. This realistic and timely approach ensured that there were no financial surprises and the outturn position was predicted with confidence. The CCG successfully challenged ambitious forecast outturn proposals from the provider and gave confidence that the CCG's year-end projections were realistic and achievable.

We have an established plan and approach for contract negotiation which is augmented throughout the financial year with provider and CCG discussions and intelligence, but begins in earnest in September with the output from the evaluation of contracts and the circulation of commissioning intentions.

Key outcomes:

The key outcomes of the acute contracting function were:

- 2014–2015 contract negotiations successfully concluded and contract signed on 28 March 2014 (three months earlier than previous year)
- 2013–2014 contract settled in June 2014 at the position forecast by contracting team in January 2014
- Working with quality leads, bolstered the CQUIN targets for 2013–2014 to make them more challenging, ensuring greater value for money but more importantly, improved quality outcomes for patients
- Alignment of financial and contract forecasts to provide board with a consistent picture of the projections and assumptions
- Rigorous application of contract levers and challenges to enable the CCG to meet its financial obligations
- Development of a sound working relationship with the Trust's contracting team
- Support for programme leads in development of future commissioning arrangements

Conclusion

The team reduced the exposure on the main acute contract by developing, embedding and enacting appropriate contract levers. Working alongside the CCG's operational and finance teams, robust forecasting projections were established, allowing the outturn position to be predicted with confidence. The contract negotiations were completed before the start of the financial year, allowing focus to be on contract management from the onset.



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