

## Liverpool PCT's guide to: **Managing risk**

Three Liverpool PCTs have integrated their management structure and are now in the process of implementing practice-based commissioning (PBC) across the city, which serves a population of 470,000.

Liverpool is keen to take steps to manage any risks associated with PBC as early as possible and is particularly supportive of larger commissioning groups as a way of minimising risk. There are currently four different commissioning groups: a large network of practices, a smaller network of eight practices and two practices who wish to commission in their own right. The PCTs are working closely with each group.

### **Here are Liverpool's key recommendations for managing risk:**

- Commission on the basis of your local population. For example, Liverpool's plans are built around the seven neighbourhoods across the city, each with between 50-70,000 patients. As well as helping to minimise risk, commissioning on a population basis offers a critical mass of investment that will give significant commissioning impact, and allows groups to commission high cost/low volume services. It also helps to bring about equity of commissioning across local populations, ensuring all practices benefit from service redesign

*Continued overleaf* ►

# Practice-based commissioning

## ➤ *Continued from overleaf*

- Continue to encourage innovation and flexibility but keep practices focused on using PBC to meet key national and local targets. This approach should also be built into commissioning plans
- Ways in which PBC can be used to deliver targets include offering stop smoking services to more people, helping people to live healthier lives, improving access rates and implementing Choose and Book
- Exploit the flexibility of PBC - it's ideal for commissioning services specifically targeted towards hard to reach groups. Liverpool plans to use it to target younger smokers who aren't easily reached through normal channels, such as a GP visit
- Explore which areas for potential service redesign should be included within practices' predictive budgets. For Liverpool, these could include diagnostics (GP referrals only), chronic disease/long-term conditions and care for older people; all areas which represent significant volumes but can be sensibly commissioned at a local level
- Use PBC to support the most deprived practices and help them meet targets for their populations. Liverpool is developing templates for easy wins to help achieve this
- Give your commissioning groups specific advice to help manage risk (see checklist)
- Monitor all commissioning groups sufficiently. Liverpool has proposed accountability agreements with its practices and will review them quarterly
- Provide a strong support structure, including carrying out the contracting with provider trusts, support for obtaining and understanding activity data, help in financial planning, and specialist advice, such as providing high quality public health information.

## **Checklist: how Liverpool is advising its commissioning groups to manage risk:**

- **Ensure plans are in place to minimise any unexpected growth in unscheduled care activity**
- **Review efficacy of out of area treatments and cost per case treatments**
- **Have appropriate systems in place in the community to deal with higher numbers of admissions and earlier discharges, which are predicted following NHS trusts' likely increased activity and shorter lengths of stay policy (developed in response to financial pressures)**
- **Develop robust evaluation processes to determine the most appropriate service providers**
- **Monitor progress on meeting local and national targets**
- **Make sure patients have a choice of providers**